Austria ... Sch. 18	Indonesia .. Rp 2500	Portugal ... Esc 75
Bahrain .. Din 0.650	Italy ...... L 1100	S. Arabia .. Rls 6.00
Belgium .... Bfr 38	Japan Y550	Singapore . S$ 4.10
Canada .... C$2.00	Jordan ... Fils 500	Spain .... Pta 100
Cyprus .. Mils 600	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr 7.25	Lebanon .. £L 6.00	Sweden .. Skr 6.50
Egypt .... E£1.00	Luxembourg . Lfr 38	Switzerland Fr 2.00
Finland .. Fmk 5.50	Malaysia .. Rm 4.25	Taiwan ... NT $85
France .. FFr. 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 160
Greece ..... Dr 80	Netherlands . Fl 7.50	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr. 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes 20	

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,261 Friday March 2 1984 D 8523 B

Jittery Hong Kong money finds a haven in the sun, Page 4

NEWS SUMMARY

GENERAL

Signs of progress over Namibia

Speculation that progress is being made towards a Namibian settlement heightened yesterday with the release from prison of veteran black political leader Toivo Herman ja Toivo.

Toivo, 59, has served 16 years of a South African sentence. He is one of the founders of Owambo, which later became Swapo, the guerrilla movement fighting for the independence of Namibia.

His release had been widely demanded as a prerequisite to independence talks.

S African explosions

A series of explosions hit a South African electricity substation at Mandini, 80 km north-east of Durban. Police suspect sabotage.

'One party' offer

Zimbabwe opposition leader Joshua Nkomo said his Zapu party would accept the introduction of a one-party state provided it was the "free and democratic choice of Zimbabweans at large."

Tip O'Neill to retire

The speaker of the U.S. House of Representatives, Thomas "Tip" O'Neill, plans to retire after one more two-year term. Page 4

After Trudeau

John Turner, front runner to succeed Canadian Prime Minister Pierre Trudeau as leader of the Liberal Party, will announce on March 16 whether he will seek the post. Page 4

Iran-Iraq fighting

Iran and Iraq reported further heavy fighting in the southern sector of the frontier battlefront. Page 3

Stoph niece returns

Ingrid Berg, niece of East German Prime Minister Willi Stoph, who took refuge in West Germany's Prague embassy last Friday, returned home as part of an agreement that would allow her family to emigrate to the West. Page 2

Berlin express crash

Eleven people died and 46 were injured when the Berlin to Saarbrücken express ran into a local train near the East German town of Halle.

Bangladesh strike

Two people were killed and at least 150 injured after police fired on Dhaka demonstrators during an eight-hour general strike called by the opponents of Bangladesh's military ruler Hossain Ershad.

Tokyo airport attack

Protesters used a home-made flamethrower to set ablaze administrative offices at Tokyo airport in a campaign against the building of a new runway.

Briefly...

Wave of bombings shook Chile's three main cities during anti-government demonstrations.

Auckland concert by rock group The Police ended in chaos as ticketless fans rioted; 12 were injured.

Cyclone Chloe hit Western Australia but no injuries were reported.

Bulgarian round-the-world yachtsman Nikolai Jambazov, missing off south-east Australia for a week, was sighted off Sydney.

French Premier Pierre Mauroy will visit Chad this month.

BUSINESS

Tokyo stock market tumbles

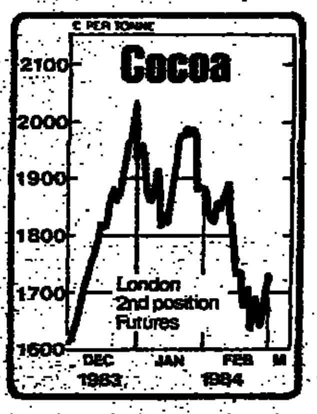
SHOCK WAVES from the collapse of the J. Osawa trading house permeated the Tokyo market yesterday, with stock prices tumbling across the board. The Nikkei-Dow index fell 110.43 to 9,820.27. Page 31. Another collapse looks likely, with Mamiya Camera staggering under Y5bn ($21.4m) of bad debts. Page 12

WALL STREET: the Dow Jones index closed up 4.81 at 1,159.44. Report, Page 31, full share listings, Pages 32–34

LONDON: FT Industrial Ordinary index rose 8.5 to 828.3 despite weakness among financial issues following speculation of radical tax changes in the Budget. The tone in government securities was also strong. Report, Page 35, FT Share Information Service, Pages 36–37

AMERICAN AIRLINES is buying 67 McDonnell Douglas MD-80 airliners for $1.3bn. Page 10

COCOA prices rallied dramatically in London with the May delivery position closing £92 up at £1,730.50 a tonne. Page 40



DOLLAR rose DM 2.609 (DM 2.5975), SwFr 2.175 (SwFr 2.1675) and FFr 8.0375 (FFr 7.99) but was unchanged at Y233.4. Its Bank of England trade-weighted index was 127 (126.6). In New York, it closed at DM 2.587; SwFr 2.1634; FFr 7.9625 and Y233.7. Page 41

STERLING fell 1.3 cents to $1.4775 and slipped to DM 3.8575 (DM 3.875), SwFr 3.215 (SwFr 3.2325), FFr 11.87 (FFr 11.905) and Y345 (Y348). Its trade-weighted index was 82.9 (83.3). In New York it closed at $1.4865. Page 41

GOLD fell $1.75 in London to $393.25. In Frankfurt it fell $1.25 to $393.25 and in Zurich $2 to $394.75. In New York the Comex March settlement was $394.80. Page 40

AUSTRALIA'S budget deficit for 1983-84 is forecast to reach a record A$15.3bn. Page 3

GATT talks in Geneva on international trade in services sparked rows between rich and poor countries. The U.S. and Canada are seeking to broaden rules to open up Third World markets in banking, tourism and other sectors.

BRAZILIAN inflation reached a record 230 per cent in February. Page 10

U.S. M1 money supply rose $1.7bn in the week ending February 20th.

AKER, the troubled Norwegian ship and platform building group, is to receive NKr 240m ($32m) of fresh capital through a deal with shipowners Fred Olsen.

LITTON Industries almost doubled second-quarter net profit to $107.8m against ($56m) on revenues of $1.14bn. Six month profits were $163m on $2.24bn.

Closing prices for the New York Over-The-Counter stock market were unavailable because of computer difficulties.

£250m UK state loan clears way for Airbus A-320

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

THE UK Government yesterday cleared the way for the development of Airbus Industrie's new 150-seat A-320 aircraft by announcing that it would lend British Aerospace £250m ($370m) in launch aid.

The French, West German and Spanish Governments had already given commitments in principle to the A-320, and Airbus Industrie is expected to make a formal announcement in Paris today that the project will go ahead.

BAe and Airbus Industrie predict A-320 sales of up to 700 aircraft over the next 15 years, out of an estimated total world market of some 3,000 aircraft in the 150-seat category.

Sales will come from new markets as well as the replacement of existing types which will be retired for reasons of age or new noise regulations.

The balance of about £400m of the approximately £650m that BAe will need to finance its involvement in the A-320, up to initial quantity production, will be found by the company from its internal resources and its existing commercial credit facilities. These loan facilities are believed to amount to up to £500m.

American Airlines is spending about $1.3bn on 67 McDonnell Douglas MD-80 airliners in what is claimed to be the largest single order in commercial aviation history. Page 10

Mr Norman Tebbit, British Industry Secretary, said yesterday that £50m of the £250m state loan would be repaid over a three-year period beginning in the early 1990s. The other £200m would be repaid through a levy of variable amounts on the sales of each aircraft.

The launch aid would cover the early years of the venture, up to the A-320's certification and entry into service in 1988, the period when pressures on BAe's funds would be at their greatest.

After 1988, BAe would have to meet the rest of the £650m bill for total involvement (in design, research, development and initial production of the complete wings for the A-320) from its own funds.

Mr Tebbit also disclosed that in addition to working on the A-320, BAe would be launching another new airliner, the advanced turboprop (ATP) derivative of the current BAe 748 twin-engined airliner, for service in 1987.

This would be privately financed by BAe, with no charge on state funds. The precise BAe investment in the ATP is not disclosed, but is believed to be between £100m and £150m.

Building the A-320 wings will provide work for some 4,500 people in BAe at peak production in the late 1980s and early 1990s and for a further 2,000 in the equipment and components industry.

Rolls-Royce, which is working on a new aero-engine, the V-2500, in conjunction with Pratt & Whitney of the U.S. and West German, Italian and Japanese companies, will press for that engine to be used on the A-320 airliner

Rolls-Royce has already been *granted £113m launch aid for its* share of the work on the V-2500. This engine is due to enter services in early 1989.

Sir Austin Pearce, chairman of BAe, welcoming the A-320 deal, commented that the aid covered the early years of the venture, when there would be no income from A-320 sales.

French shipbuilding to be cut by a third

BY DAVID HOUSEGO IN PARIS

FRENCH shipbuilding capacity is to be cut by a third in the next three years, the Government announced yesterday.

It confirmed that five new ship orders involving government subsidies of FFr 470m ($59m) would be placed with the industry this year to demonstrate the Government's resolve to keep all five existing yards in operation.

M Guy Lengagne, the Minister of State for the Sea, who announced the rationalisation plans, said the Government's intention was also to reassure shipowners who might place orders with the yards that none of them would be closed.

M Lengagne declined to elaborate on the number of job losses involved, but unions who met him earlier in the day said the cuts in capacity implied a loss of about 5,000 jobs in shipbuilding. The industry, which has had few orders in the past two years, employs 22,000.

The heaviest cuts in capacity fall on the Chantiers Nord et de la Mediterranée (Normed) group, which runs the three yards at La Seyne and La Ciotat on the Mediterranean coast and Dunkerque. It has been asked to cut capacity by 32 per cent to *140,000 to 160,000* dwt a year by 1985–86.

The Normed group, formed as the result of a merger in 1982 and in which the Schneider engineering conglomerate has the major shareholding, was saved from bankruptcy last year by FFr 725m of government aid. In January, the Government put in a further FFr 130m to help the group meet its commitments.

M Lengagne said yesterday its three yards would receive orders for two naval vessels – a troop landing craft and a tanker refuelling ship.

Alsthom-Atlantique's yards at Saint-Nazaire and Nantes in the west of France will be required to cut capacity over the three years by *17 per cent to 120,000 to 130,000 dwt* a year. Alsthom is a subsidiary of the state-owned Compagnie Generale d'Electricite (CGE group).

The Government announced that the large French shipowning group of Delmas-Vieljeux would be placing two orders for cargo vessels, costing FFr 125m each, with the Alsthom yard.

BP seeks customers for new gas fields in North Sea

BY RICHARD JOHNS IN LONDON

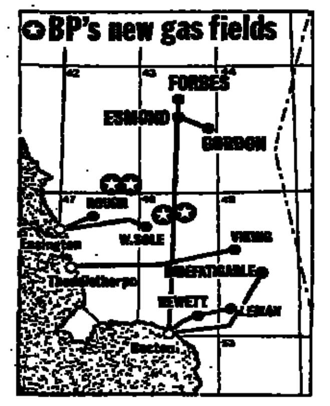
FOUR gas fields discovered by British Petroleum in the southern basin of the North Sea and containing the equivalent of 8 to 9 per cent of proven UK reserves have been declared commercial by the company.

They could be on stream as early as 1987 and reach full production at a rate of 400m cubic feet per day nearly one-twelfth of last year's UK consumption, by 1990 at a cost of about £1.3bn (in 1984 prices).

Development depends on the conclusion *of long-term sales contracts.* BP said last night that negotiations were already under way with the British Gas Corporation and other "potential customers" which it declined to identify.

In practice, BGC is the only buyer capable of purchasing the volume of output contemplated. At the same time BP is also considering using some of it as feedstock for its own petrochemicals business.

BP is believed to be looking for a price in the range of 27p–29p per therm – about the same as the level agreed by British Gas in the draft contract concluded with Statoil of Norway for gas from the Sleipner field.



British Petroleum, which has opposed the Sleipner deal, is not presenting its new discoveries as an alternative. It points out that output from the four structures in the southern Basin would start earlier, and the volume involved would only be a third of the amount in from Sleipner.

For its part, BGC has said that it will need supplies from discoveries on the UK continental shelf, as well as the Norwegian gas.

The fields in question are situated 30–40 miles off the Humberside coast at depths of 100 to 150 feet in close proximity to BP's West Sole field, which was the first in UK waters to produce gas in 1967 and are in four separate blocks – 42/29, 42/30, 48/6 and 48/7b.

They have been named, respectively, Cleeton, Ravenspurn, Hyde and Hoton after Yorkshire villages which disappeared four to six centuries ago as a result of coastal erosion.

BP estimates the total recoverable reserves at 2,500bn cubic feet or about the equivalent of the 450m barrels of oil which the company will obtain from its Magnus field which came on stream last summer.

BP first discovered that there were gas accumulations in the four blocks as a result of wells drilled in 1976–77. But it has intensified drilling in the past 18 months,

Soviet role in European gas supplies, Page 8

French troops may quit Beirut

By Our Damascus Correspondent and Paul Betts in Paris

LEBANESE President Amin Gemayel last night described as "excellent" his four rounds of talks in Damascus with Syrian President Hafez al-Assad. Mr Gemayel was speaking before returning to Beirut.

Although *few* details have emerged from the negotiations, which were aimed at trying to achieve peace in Lebanon, it is widely believed that Mr Gemayel has promised to scrap Lebanon's Max 17 troop-withdrawal pact with Israel, a fundamental Syrian demand.

Syria, which has about 40,000 troops in Lebanon, has emerged as the main arbiter of the country's future after the withdrawal of U.S. marines from Beirut.

In Paris, the French Government indicated that the withdrawal of its combat troops may be imminent. *Last night the Foreign Ministry* issued an official statement saying France could not on its own carry out the responsibilities of the international community in Lebanon.

The statement said France would consult the Lebanese authorities in the next few hours to examine the consequences of the UN security council vote on Wednesday night in which the Soviet Union vetoed the French proposal to deploy United Nations troops in Beirut.

The scrapping of the May 17 agreement could pave the way for a more durable ceasefire in the Beirut area, the formation of a more widely-based government and the recall of national reconciliation talks in Geneva.

Mr Walid Jumblatt, the Druze opposition leader, however, insisted in Beirut yesterday that there could not be any compromise with President Gemayel, even if he scrapped the May 17 accord.

On his first visit to the Lebanese capital since narrowly escaping assassination in December 1982, Mr Jumblatt said Mr Gemayel should be put on trial for his crimes.

"There is no compromise with us", he said. "He is to be judged for his crimes against the Lebanese people".

Syria has not called for the resignation or trial of Mr Gemayel, but is understood to have laid down a series of demands which the Lebanese President will now have to dis-

Continued on Page 10

The Middle East carnage continues, Page 3

The UN vote Page 3

Arco arranges $12bn credit for Gulf bid

BY PETER MONTAGNON IN LONDON

ATLANTIC Richfield (Arco), the U.S. oil company, is arranging a $10bn to $12bn credit line from about 100 international banks which, if drawn, would be the largest bank loan ever made.

The company will need the money if it takes over Gulf Oil, with which it is in discussions.

For the banking industry, the sheer size of the loan is an indication of the way in which corporate finance has overtaken sovereign lending as a focus for new business.

At $12bn the credit would exceed the entire foreign debt of Peru, which is estimated at $11.8bn and subject to laborious renegotiation by international bank creditors.

Arco expects to be able to sign the credit line next week, within days of initiating talks with its bankers. By contrast, last year's jumbo $6.5bn credit for Brazil took four months to complete.

Chase Manhattan, which is co-or*dinating the loan, has telexed* potential participants inviting them to join the credit, which will go ahead only if an amicable takeover of Gulf by Arco can be agreed.

The U.S. bank declined to comment on the deal yesterday, and its terms are being kept confidential.

Arco would, however, expect to borrow at very fine interest margins. Its credit is the latest in a string of jumbo loans for U.S. oil companies which first burst on the market following a wave of takeover fever on Wall Street two years ago. Many such credit lines have a very short life as they are usually unwound if the takeover bid falls through.

William Hall writes from New York: Gulf and its advisers are working behind the scenes to find a friendly suitor in order to avoid falling into the hands of the Mesa group led by Texan oil man Mr T. Boone Pickens, a *longstanding* critic of Gulf management.

Gulf shares rose $⅝ to $69⅞ early yesterday in further heavy trading on the New York Stock Exchange. Speculative interest on Wall Street has switched to Texaco, however, another U.S. oil major whose shares closed down $¼ yesterday to *$45¼.*

Texaco was the most heavily traded share yesterday morning as speculation mounted that the wealthy Bass brothers *family from* Texas *might mount* a similar operation on Texaco as Mr Boone Pickens is doing with Gulf.

IBM prices threat to European rivals

BY ALAN CANE IN LONDON

IBM, the U.S.-based computer giant, yesterday unexpectedly cut the prices in Europe of its best-selling personal computers by between 7 per cent and 20 per cent.

The move set off speculation that it was determined to crush competitors – especially the UK company ACT – which have prevented it from taking as dominant a hold on the market in Europe as in the U.S.

The cut varies from country to country, depending on what IBM calls "local marketing conditions." IBM says the cuts are possible because *its personal computer production* line at Greenock, Scotland, is now fully commissioned and has had its efficiency improved.

The IBM PC and its companion model the XT (which features a hard disk giving it a large, very fast memory) have swept the board in professional personal computers. IBM is reckoned to have close to 30 per cent of the world market, as large companies buy them in hundreds.

London retailers, who were told of the cuts yesterday morning, were surprised. Mr Nigel Fox, marketing services manager for Digitus, which was one of IBM's first dealerships, said: "We are utterly astonished. We can sell as many PCs as we can get our hands on. The market is quite price insensitive."

Sales in the UK were sluggish, however, early last year against competition from the UK company ACT which sells the Sirius compu*ter made by Victor Industries of the* U.S.

Victor has since run into difficulties and is going through reorganisation under Chapter 11 of the U.S. Bankruptcy Act. ACT has applied for the UK and worldwide manufac-

Continued on Page 10

Strategy for a microchip future, Page 6

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Former head of Rumasa classified as missing

By Robert Graham

SR JOSE Maria Ruiz-Mateos, the former head of the Spanish *conglomerate* Rumasa, is understood to be ..."lying low." He has not disappeared, close associates said yesterday after Press report that the Spanish businessman had gone missing.

Sr Ruiz-Mateos, who fled to Britain following the expropriation of his Rumasa empire by the Spanish Government on February 23, 1983, has been living in London since. About three weeks ago, he disappeared from public view and since last Friday has not contacted his family.

Members of his family have not formally reported him as missing, but on Wednesday, as a result of intense interest by the Spanish press *in Sr.* Ruiz-Mateos' whereabouts, Scotland Yard classified him as such.

However, a spokesman for Scotland Yard said yesterday that it did not regard Sr. Ruiz-Mateos as a "vulnerable" missing person. This means no search has been mounted.

Those close to Sr Ruiz-Mateos say he is concerned about threats to his life. Since his arrival in Britain he has had his own bodyguards, but the source of the threats has never been identified.

Sr Ruiz-Mateos is wanted by the Spanish judicial authorities to answer charges of alleged financial malpractice *connected with the running* of Rumasa. In London, he has been awaiting the outcome of two important legal cases still to come fully before the courts.

The first concerns the status of Multinvest, a UK registered company through which Sr Ruiz-Mateos claims he controlled his British and some overseas assets. The Spanish Government is claiming that Multinvest is a paper company and that Rumasa is the real owner.

A decision by the British courts has been held up while the Spanish Constitutional Court decided on the validity of the Rumasa expropriation. A judgement was given in December *in favour of* the Spanish Government.

Another case in the UK courts concerns the ownership of the well-known "Dry Sack" sherry brand name.

Public sector strike likely in France

By David Housego in Paris

THE MAJOR French trade unions yesterday called for a one-day strike by public employees next week in protest at the Government's *latest pay offer.*

The offer conveyed to unions on Wednesday by M Anicet Le Pors, the *Communist* Minister for the Civil Service, was in line with the Government's attempt to end the system of index-linked wage increases.

M Pors proposed a FFr 500 bonus to be paid immediately as compensation for loss of purchasing power last year, when inflation rose faster than had been allowed for in wage settlements. The offer, which would have cost the Government FFr 1.2bn for the 4.5m public-sector employees and those on retirement pensions, was rejected by the unions.

In addition the Government proposed a 1 per cent salary increase effective from April 1, but did not clarify whether this was compensation for last year or part of this year's wage settlement.

The Communist-led CGT union called for a 24-hour strike next Thursday. It was joined by Force Ouvriere, the main civil service union, which is also considering a two-day strike. FEN, the pro-Socialist teachers' union, is to join Friday's action. The Socialist CFDT is not to take part.

French road hauliers *offered concessions*

French road haulage associations were yesterday offered some concessions by the government over fuel taxes and road haulage tariffs at a meeting with M Charles Fiterman, the *Minister* for Transport, David Housego reports from Paris. The meeting had been promised during last week's blockade of roads by lorry drivers.

Mr Fiterman offered *further relief on the rate at* which truckers pay VAT from May 1985. Also promised was a further 2.5 per cent increase in road haulage tariffs from June 1 on top of the 2.5 per cent *that took effect yesterday.*

The leader of the main road haulage association said the atmosphere was "better.

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Michael Donne, Aerospace Correspondent, examines the market prospects for Europe's joint aircraft venture

UK backing clears European airbus project for rapid take-off

THE WAY is now clear for the European airliner manufacturing group, Airbus Industrie, formally to launch its proposed new A-320 150-seat airliner, following the UK Government's decision yesterday to provide up *to £250m launch aid over the* next four years.

The balance of the £437m in launch aid originally sought by British Aerospace will be found from the City and internal resources, probably starting *around 1988. The Government* money will tide the BAe over until that point.

The French, West German and Spanish governments have already given their assurances of financial support for the $2bn venture, so that Airbus Industrie is now able to push on rapidly with the formal launch and production commitment of the A-320, on which it has done an immense amount of work in detailed design and develop*ment. It has little time to* spare, since it is planning to offer deliveries from the spring of 1988

The current financial participation in Airbus Industrie is divided as to 37.9 per cent each for Aerospatiale of France, Deutsche Airbus (Messerschmitt - Bolkow - Blohm) of West Germany, 20 per cent for British Aerospace and 4.2 per cent for CASA of Spain.

Actual work shares are slightly different, because other partners which are not shareholders of Airbus Industrie, such as Fokker of Holland and Belairbus of Belgium, are involved industrially.

*All these are expected to par*ticipate in the A-320, but some other countries are also anxious to join—including Australia and Japan, although talks with the Canadian government collapsed this week because, according to Mr Ed Lumley, Canadian Industry Minister, the package offered by Airbus Industrie did not come up to original Canadian expectations.

The UK's work share will be higher than the 20-21 per cent on the existing A-300/A-310 aircraft, at about 26 per cent, but the other shareholders' work shares will be adjusted to allow for this and the inclusion of other participants, not yet determined.

British Aerospace will manufacture the wings for the A-320, including the main wing box and moving parts such as flaps and ailerons.

This compares with BAe's current 20 per cent share of the A-300/A-310, for which it makes the main wing boxes, the moving parts being built on the Continent and incorporated into the wings before shipment to the final assembly line at Toulouse.

Engines for the A-320 will be provided initially by the France-U.S. Snecma-General Electric consortium, CFM International, and called the CFM-56 Dash 4. But as the recently established five-nation, seven-company international engine group, International Aero Engines, gets rolling with its projected V-2500 engine (in which Rolls-Royce, Pratt and Whitney of the U.S., and companies in Italy, West Germany and Japan all participate), this will be offered as an alternative power-plant.

In addition to its share of finance for the A-320 airframe, the UK Government is subscribing £113m towards the total Rolls-Royce £226m share of the V-2500.

Airbus Industrie's aim with the A-320 is to widen its product range into a "family" of jets, so as to give airlines more choice and reduce the influence of Boeing, the world's biggest and strongest jet builders.

To do this, Airbus sees the need not only for a 150-seater to complement its existing 250-plus A-300 and 220-seat A-310, but also a new, larger 320-plus seat twin-engined medium range jet, the TA-9, and a new, very long range four-engined 230-seater, the TA-11.

Initially, however, the group is setting its sights on the A-320, as promising the biggest potential market.

Airbus foresees over the next 20 years a market for about 3,000 aircraft of all types in the 100 to 600 seat categories, worldwide.

Of these, about 3,200 will be single-aisle, short to medium range jets, of various categories, but into which the projected 150-seat A-320 will fit neatly.

Another 3,400 aircraft will be needed in the twin-aisle short-to-medium-range market, in which Airbus Industrie already has its A-300 and the smaller A-310. For this market also, *Airbus sees a slot emerging for* the bigger version of the A-300, the TA-9.

The remainder of the market will be about 1,400 aircraft for long - range intercontinental operations, for which Airbus is already designing the four-engined TA-11, although as yet there is no formal launch decision.

Airbus believes that the re-emerging market for jetliners as air travel expands, together with the need to replace ageing, fuel-inefficient and unacceptably noisy jets, will combine to create demand for world-wide production rates among all manufacturers of more than one jet a day, or between 370 and 400 a year.

This is considerably more than all the makers combined have achieved in the recent past, with only 230 ordered in 1982 and 225 in 1983.

Airbus has already won orders from five airlines for 96 aircraft (51 firm and 45 on option), which it believes is enough to justify launching the A-320. Other contracts are in negotiation.

The A-320 is coming onto the world market when all the signs are for an improvement in the world airline industry's financial situation, with traffic picking up as the recession fades.

Now that the move *into full*-scale development and production of the A-320 is assured, the world airline industry is waiting to see Boeing reaction.

So far, Boeing has played its opposition to the A-320 in a *low key, contenting itself* with continuing its wide range of studies into possible competitors without making any commitments.

These include derivatives of the existing Boeing 737-300 (already a 140-plus seater that could be modified to a 150-seater), such as the 737-400 with a new wing but using the current 737-300 engine (the CFM-56 Dash 3), and the 737-500, which would have a *new wing and* a new engine (such as the Rolls-Royce—Pratt and Whitney V-2500 consortium engine).

Another Boeing possibility is a shortened-fuselage version of the existing twin - engined narrow-body 757, bringing its passenger capacity down from about 220 to between 150 and 170.

Yet another possibility is an entirely new aircraft, the "7 Dash 7," that would probably also use the V-2500 engine.

Boeing is believed to have spent more than $50m on these studies over the past two years, and is probably as advanced in the design of a new 150-seat airliner as Airbus Industrie, with many thousands of different wing and fuselage drawings available in its research department.

Boeing's massive expertise in jet transport design, with almost 5,000 aircraft built to date, its proven ability to move quickly (it could get a new design into service four years from authorised go-ahead, that is by 1988 if it starts this year), and its wide range of possible options, mean that it will not be left standing by *Airbus* Industrie.

The other rival, McDonnell Douglas, withdrew from active participation in the 150-seater market with a new design late last year, when it halted work on its MD-3300, arguing that the market potential did not justify the large investment needed.

But it has continued to push strongly in that market with its existing MD-80 series of narrow-bodied twin-jets, and has done extremely well, with more than 300 sold, including this week's massive order for 67 aircraft from American Airlines, the U.S. operator.

The MD-80 is offered in seating *densities of up to* about 155-160, although its more customary configuration is around the 140-plus level, so that McDonnell Douglas can claim that it fits the 150-seat market well.

The Airbus Industrie answer to this is by the time the A-320 becomes available in 1988, the MD-80 will be by comparison an "old technology" aircraft, although McDonnell Douglas ripostes that it can and will update its aircraft as the airlines require.

Whether McDonnell Douglas can go on improving the MD-80 through into the mid to late 1990s, however, is debatable, and it is widely believed that sooner or later it will have to *reactivate* its MD-3300 design, or something similar to it, or perhaps join in the work on one of the Airbus or Boeing designs.

Call for strengthening of EMS

BY JOHN WYLES IN BRUSSELS

EEC GOVERNMENTS are being invited by the European Commission to mark the fifth anniversary of the European Monetary System by acknowledging that they could do much more to improve its relative success in stabilising rates of exchange.

In a review of the EMS's first five years, to be discussed by economics and finance ministers on March 12, the Commission confirms that its acchievements have been disappointing.

Co-ordination of economic policies remains embryonic, although the EMS has forced its members to give high priority to price stabilisation. Closer co-ordination of monetary policies has become a feature of the system, but the approach to pub*lic sector deficits* and to prices and incomes has seen less co-operation than is needed.

On the other hand, the Commission points to solid success in stabilishing exchange rates. Taking the dominant D-mark as a reference, the average monthly variations between the D-mark and the seven other currencies (sterling and the Greek drachma are not part of the mechanism) was between 0.5 an 0.8 per cent between 1979 and 1983. By contrast the variations between the D-mark and the dollar, the yen and sterling have been between 2.4 and 2.7 per cent.

The seven realignments which have taken place since March 1979, the Commission says, have all been in the direction indicated by underlying economic factors. Erratic departures from currencies' medium-term trends have been fewer than in the previous five years and there has been more stability than the dollar, yen and sterling *have experienced.*

Inflation rates have begun to converge, says the Commission, but the reduction in differentials has been slow. Average inflation affecting EMS currencies will have fallen from 8 per cent in 1979 to 5 per cent in 1984, but the difference between the highest and lowest national inflation rates was largely unchanged between 1979 and 1983 at 11 to 12 points. This year it should fall to 7.5 points.

The Commission regrets the reluctance of central banks to use the European Currency Unit as a means of settlement—only 2bn Ecu have been used in this way out of total holdings of 53bn Ecu at the end of last year.

It notes that central banks have preferred to intervene in dollars to stabilise currency movements within the system. This has not helped to develop its coherence or to assure its internal equilibrium.

The Commission stresses that the EMS remains incomplete for two reasons—the Italian Lira remains the only currency allowed a maximum divergence around its central rate of 6 per cent while all others are limited *to 2.25 per cent.*

According to the Commission, one explanation for Italy's relatively poor record in reducing inflation is it being under less pressure to adjust its policies than other governments.

The absence of sterling also depletes the EMS, says the Commission. With sterling included, it would be a stronger force for convergence and consolidation of the common market.

Despite original intentions, the EMS has still not defined a common approach to the dollar, both because of U.S. disinterest in the rate of the dollar and, the Commission hints, because of German attitudes.

Brussels cautious about upturn

BY JOHN WYLES IN BRUSSELS

CONCERN about the durability of the present economic upturn in the EEC remains undiminished in the European Comission in spite of a better than expected outlook for growth and inflation for this year.

In a commentary on its revised economic *forecasts,* the Commission acknowledges the grounds for relative optimism about economic developments this year. But it remains uncertain about whether the recovery will be sufficiently durable or vigorous.

While based on anxieties about high world interest rates and a possible collapse of the U.S. recovery, the Commission's caution is also directed at member states which may be feeling tempted to relax efforts to reduce inflation and public sector deficits.

The revision of the 1984 forecasts, originally made by the Commission last October, point to a 2 per cent growth in the EEC economy this year instead of 1.5 per cent. West Germany (plus 3 per cent), Denmark (plus 2.6 per cent) and the UK (plus 2.5 per cent) will lead the way and only Luxembourg will suffer a fall in gross domestic product.

The employment situation will remain bad, says the Commission with the unemployment rate reaching 11 per cent, compared with 10.6 per cent last year. A slight fall is predicted for the UK (from 11.7 per cent to 11.4 per cent) and for West Germany (from 8.4 per cent to 7.8 per cent).

The Netherlands will have the *highest jobles rate at 16.8* per cent, followed by Ireland with 16.6 per cent and Belgium with 14.9 per cent.

The EEC's balance of payments could show a small surplus for the first time in more than *five years with Belgium,* Denmark, Ireland and France all making progress in reducing their deficits and the UK, the Netherlands and West Germany recording solid trade surpluses.

Basic EEC steel price rise set

BY PAUL CHEESERIGHT IN BRUSSELS

BASIC steel prices in the EEC will rise between 2.1 and 3.09 per cent from April 1. The European Commission is now circulating the new prices, which are generally pitched at a slightly higher level than that foreseen two weeks ago when the Commission first announced its plans to consolidate prices on the market.

The changes have been made by altering the maximum rebate from guideline prices permitted to producers. It was the failure of producers to observe the guideline prices that led at the end of last year to the decision to impose minimum prices.

The rise in price coincides with small increases in the production quotas granted to steel-makers. The quota and price controls are *central* to the *emergency regime* covering the activities of the steel companies as they restructure their operations.

MINIMUM PRICES FROM APRIL
Ecus per tonne

	New price	Old price
Hot rolled coil	336	327
Strip from hot rolled coil	340	331
Hot rolled plate from coil	340	331
Coated hot rolled sheets	340	331
Cold rolled plate	433	424
Sections and beams	300	291

The price changes have been opposed by the consumers, but they reflect a greater firmness in the market than was apparent last autumn.

● The Commission yesterday announced it had approved the formation of a new steel joint venture to produce strip galvanised on one side. The joint venture, called Societe Europeenne de Galvanisation *will be* owned by *Phenix* Works, a subsidiary of Cockerill Sambre of Belgium, Hoogovens of the Netherlands, and Sidmar, the Belgian unit of Arbed of Luxembourg.

The joint venture will enhance *the co-operation* of steel producers in Benelux. This co-operation has been most noticeably seen in the product sharing and investment agreement of Cockerill Sambre and Arbed.

First joint European step on air pollution

By Paul Cheeseright in Brussels

THE FIRST joint step to *combat air pollution* in the European Community was taken yesterday by environment ministers. They agreed that new industrial plants could not be built without prior authorisation granted on the basis of specific limits for industrial emissions.

These limits will be laid down in a series of further directives yet to be negotiated. But the principle that pollution will be controlled at the plant *itself,* by measuring what comes out of the factory chimney, has been adopted.

The new agreement will take the form of a directive to come into effect in 1987.

Mr William Waldegrave, the British parliamentary Under-Secretary for the Environment, said that the UK would have to pass a new clean air act to change the way in which existing pollution controls are applied.

The directive is essentially a statement of principles to be applied in future specific cases. The Ministers have thus adopted the same pattern as that followed to combat water pollution — first, a general directive and then others *covering, for example,* cadmium and mercury emissions.

The first specific directive to be negotiated concerns large combustion plants like power stations and steel*works. The commission has* already tabled precise proposals for controlling their air emissions which would cost British industry £2.5bn in capital work and £500m annually.

Mr Waldegrave said the Government would be very careful in its approach to the combustion plant question. But he warned industry that popular pressure for cleaner air would not go away and that the EEC is becoming more serious about the cuestion.

The agreement reached yesterday marked concessions by the UK, which had not been enthusiastic about EEC action in this area; by the Netherlands, which would have preferred controls based on measuring pollution in the atmosphere; and by Italy, which wanted controls based on measuring the rate of dispersal of polluted air.

● Sweden, Finland, Norway, Denmark and Iceland have called on the UK to rethink its environmental policies

Environment Ministers from the five states, alarmed *at an apparent unwillingness of the UK to speed up moves* to cut sulphur discharges into the atmosphere, called on the British Government to join the Nordic commitment to reduce sulphur emissions by 30 per cent by 1993.

Kohl to stress importance of alliance in U.S. talks

BY RUPERT CORNWELL IN BONN

WEST GERMANY is insistent that any closer defence collaboration with France does not reduce the need for the tightest possible consultations between the U.S. and its main allies within the Western alliance.

This, according to officials in Bonn, is among the important messages that Chancellor Helmut Kohl will be taking with him this week end when he begins a three-day working visit to Washington.

But the Chancellor will voice his unease over several aspects of American economic policy. These range from what West Germany perceives as a growing drift towards protectionism, to Bonn's long-standing com*plaints* at the disruption to the world economy caused by the huge U.S. budget deficit and the erratic behaviour of the dollar.

Kohl ... unease over economic policies

Of the defence front, Bonn has been upset by recent pronouncements by U.S. dignitaries—most notably former Secretary of State Mr Henry Kissinger — that Washington might consider cutting its commitment to Europe should the latter not increase its own defence effort.

It is not least the timing of such remarks which has caused resentment. Barely three months have passed since, with much political skill, Herr Kohl's centre-right coalition secured approval *for the deployment of* Pershing and cruise missiles here.

The sting has only been partly removed by U.S. Administration disclaimers. Herr Manfred Wörner, the Defence Minister, *this week called the proposals a* "deliberate provocation," to persuade Europe to boost its defence readiness.

For *similar reasons,* officials here are worried that closer political and defence collabora*tion between Bonn and Paris* may be misinterpreted in the U.S.

The development of these ties commands "the highest priority" here. But the Chancellor will emphasise in Wash*ington that Franco-German* co-operation should be seen as *strengthening* the "European pillar" of Nato, to the benefit of the Alliance as a whole.

Herr Kohl will again support an early summit between President Reagan and Mr Konstantin *Chernenko,* the *new Soviet* leader, something that the U.S. has indicated should only take place if a successful outcome is guaranteed.

Bonn is also as anxious as ever for a speedy resumption of *East-West arms limitation talks.* But officials here insist that it is up to the Soviets to make the next move.

They have been distinctly heartened by the conciliatory atmosphere surrounding the *recent trip* to three Eastern European capitals by Mr Richard Burt, the Assistant Secretary of State for European Affairs.

Mr Burt said here earlier this week that the change of leader*ship in Moscow,* and the start of Nato deployment, could lead to a new period of "some improvement" in East-West relations. The U.S. would consider seriously fresh Soviet proposals if it returned to the Geneva INF talks.

U.S. 'could agree to cut Netherlands cruise quota'

BY WALTER ELLIS IN AMSTERDAM

THE U.S. is continuing to put pressure on the Netherlands to deploy cruise missiles in compliance with the 1979 Nato accord on European defence. But there is growing speculation that Washington might be prepared to accept the placing of fewer than the 48 missiles previously agreed *if* that will help ensure Dutch parliamentary support.

President Ronald Reagan spoke briefly on the subject to Mr Hans Van Den Broek, the Dutch Foreign Minister, during unscheduled talks at the White House on Wednesday. Later, one Dutch radio report quoted "political observers" as saying that the President was now willing to endorse a reduced deployment.

At the same time, Mr Caspar Weinburger, the U.S. Defence Secretary, announced yesterday he would be flying to The Hague on March 29 to try to resolve the issue in advance of the June deadline set by the Dutch Government for a final decision on cruise. He will meet Queen Beatrix—a known opponent of cruise—as well as Mr Ruud Lubbers, the Prime Minister, and senior Cabinet colleagues.

Yugoslavia likely to get $500m IMF credit

By Aleksandar Lebl in Belgrade and David Buchan in London

YUGOSLAVIA'S Communist Party leader has warned his countrymen that they will have to live with sharply higher interest rates and a still weaker international value of their currency.

In a Wednesday night television broadcast, *Mr* Dragoslav *Markovic,* the party leader, did not specifically refer to the negotiations for a new International Monetary Fund standby credit. But since he spelled out agreement on interest and exchange rate policies—the last two sticking points in protracted bargaining with the IMF—it is widely assumed that Yugoslavia will get a new Fund credit, probably of *about $500m for one year.*

With basic issues resolved, the past two days of talks between the IMF and Yugoslavia are said to have focussed on "technicalities." IMF officials are expected to return from Belgrade to Washington today with a Yugoslav letter of intent for IMF board approval.

The Yugoslav authorities now have the politically tricky job of persuading domestic industry of the necessity of compromise with the IMF. Mrs Milka Planinc, the Prime Minister, embarked on this task earlier this week when she warned the party central committee that Yugoslavia would be even worse off without an IMF agreement which is the key to rescheduling the country's 1984 foreign debt.

Mr Markovic continued the effort to mollify domestic industry by *publicly promising* on Wednesday government proposals to ease the tax burden on campanies, as compensation for higher interest rate charges.

The IMF has pressed for bank *interest rates* (a maximum 36 per cent at present) to be raised to match inflation (running at an annual 60 per cent pace). Belgrade has agreed to close this gap by almost half in 1984 and totally by March 1985.

The dinar was steadily depreciated against Western currencies until, last November, when the Yugoslav authorities became concerned by the way the weaker dinar was fuelling *domestic* inflation.

Swiss to spend £930m on Leopard

THE SWISS Government is to spend a record sum of SwFr 2.79bn (£930m) between 1984 and 1992 on arms procurement, mainly to finance the purchase and construction of the West German Leopard-2 tank, writes Anthony McDermott from Geneva.

Military sources have suggested that this will cause severe financial strains, and might result in cuts in other military programmes, or eventually a reshaping of the *long-term package involving* the Leopard-2.

Of the 210 tanks under the original order, 35 will be bought from the manufacturers, *Krauss-Maffei,* in Munich, and the remaining 175 are *to be built under* licence in Switzerland by Buehrle-Contraves of Zurich, providing employment *for* 1,000 people over eight years.

The first 35 tanks are to be delivered in 1987, and the rest between 1988 *and 1992.* A second batch of 210 is scheduled for delivery during the period up to 1998. However, there are doubts whether this latter part of the deal will go ahead.

French parents mobilise to defend Catholic schools

David Housego reports from Paris on objections to secularisation

FARMERS, lorry drivers, steel workers, *miners, public* employees, parents . . . which group has mobilised the biggest lobbies in France recently?

The answer is parents, surprisingly enough, organising over a bitter debate on education. From 80,000 at Rennes in early January to some 240,000 at Lille last weekend, the number of parents marching on Sundays in defence of private, Catholic schools has swollen week by week.

Up to a half a million parents are expected to take part this Sunday in a mass march at Versailles.

Both the sheer size of the demonstrations and the impressive determination of the organisers to make their voice heard by non-violent means have had their effect. The word from the Elysee Palace this week was that the Government was backing down from its two-year-old project to incorporate the private (mainly Catholic) schools into the state system.

The Government's plan, as presented in its latest form by *M Alain Savary, the Minister of* Education, at the end of last year, has two main objectives. Private schools, which are attended by about 17 per cent of French children, get most of their funds from the state.

The Government's first aim has been to obtain a degree of control over the administration of the schools that reflects more closely what it pays out. The second objective has been to end the bitter century-old controversy in France between secular and Catholic schools by making them part of the same system.

The Catholic schools and parents' associations accept that there must be changes in the status quo—if only because under recent decentralisation measures, municipalities and rural communes are being asked to bear more of the cost.

But they have refused to budge over two points. The first is the Government's plan to give the *schools a new status* as "Establishments of Public Interest" (EIP) administered by a board that would include representatives of the state, local authorities and eventually of state schools.

They see this as undermining the schools' autonomy and a dangerous extension of the state's authority over both the family and education.

The second point over which they refuse to yield is the possible absorption of private school teachers into state service by granting them public employee status. Such a change *is seen over time as likely to* rob the private schools of their special character.

The first sign that the Government was *preparing* to back down came with statements this week by M Lionel Jospin, the *Secretary of the Socialist Party.* He said that the Government should be "flexible" on the issue and concentrate its energies instead "on the economic and social battle."

Behind its apparent change of view is the fear that when the proposals come before the National Assembly in the Spring, the opposition could paralyse the Asembly's work by tabling an enormous number of amendments.

Beyond that, the massive popular support behind the protests has shown that the Opposition could make the issue of "free" schools a major platform of its attack on the Government.

Clutching at the latest olive branch, Cardinal Jean-Marie Lustiger, Archbishop of Paris, said yesterday that a "compromise" was needed.

Bangladesh general strike leaves two dead and 150 injured

BY SAYED KAMALUDDIN IN DHAKA

AT LEAST two people were killed and about 150—including 50 policemen — injured in sporadic clashes in Dhaka yesterday during a general strike called by the main opposition parties to back their fight for restoration of democracy in the country.

The strike call met with wide response throughout Dhaka and the rest of the country, though large numbers of workers and several opposition leaders were arrested.

Parties opposing the rule of Gen Ershad have been agitating on the basis of five demands which include the end of martial law rule, restoration of "fundamental rights," the holding of parliamentary elections before those for president, and the release of all political prisoners.

Gen Ershad, who took power in a bloodless coup on March 24 1982, has already announced his programme for returning the country to democracy. Under this, municipal elections took place in late December and in mid-February, while dates for the presidential and parliamentary elections have been fixed for May 24 and November 25 respectively.

Despite their opposition to any other election before the parliamentary one, the opposition did not oppose the municipal elections after noticing considedable public enthusiasm for them.

President Ershad apparently tried to defuse the tense situation before yesterday's general strike by offering to hold the presidential and parliamentary elections simultaneously on May 27, but without any success.

Opposition leaders described his offer as yet another "political ploy" to "confuse the people and gain more time." They opted to continue their protests.

Australian budget deficits forecast to reach record

BY MICHAEL THOMPSON-NOEL IN SYDNEY

ESTIMATES produced by the Australian Bureau of Statistics yesterday forecast that the combined State and Federal budget deficits in 1983-84 would reach a record A$15.3bn (£9.6bn). This is 50 per cent greater than in 1982-83, and 224 per cent greater than in 1981-82.

The total federal deficit is forecast at A$9.5bn, including A$8.4bn for the Government's budget deficit, plus the net trading deficits of major state authorities such as Telecom, Australia Post and TAA, the state domestic airline.

Mr John Howard, the shadow Treasurer, said the total federal deficit of A$9.5bn would amount to 5.3 per cent of estimated gross domestic product, against the 4.9 per cent set by the 1975 Whitlam Government budget.

He said the estimated public sector borrowing requirement was the highest since comparable statistics were first collated in 1949-50.

● The Australian Bank Employees' Union warned yesterday that further deregulation of the country's financial system could threaten the pay and prices pact between the Australian Labor Party and the Australian Council of Trade Unions.

It claimed that deregulation, plus the possibility of bank licences being awarded to foreign banks, threatened small businesses and householders and ran counter to economic and social objectives.

China dissociates itself from Asean insurgents

BY MARK BAKER IN PEKING

CHINA has virtually promised not to give significant backing to Communist guerrilla movements in South-East Asia.

Wu Xueqian, Chinese Foreign Minister, has said the activities of the guerrilla movements are "the business of the governments of the countries concerned. It is an internal matter in which China will not interfere," Xinhua, the official news agency, quotes Wu as saying in Kuala Lumpur.

The remarks are the furthest China has gone in dissociating itself from the Communist insurgent groups in Malaysia, Thailand and Indonesia, which have been recognised by the Chinese Communist Party since before the 1949 Revolution.

The issue has been a cause of continuing tension in relations between China and the individual Asean countries, particularly Malaysia.

China, which is attempting to build closer ties with Asean and co-operate in opposing the Vietnamese occupation of Kampuchea, appears anxious to minimise the problem—short of renouncing the guerrillas and risking new ties between them and the Soviet Union.

A Western diplomat said China now gives only moral support to the Communist parties in Indonesia and Malaysia, but provides "minimal material support" for the Thai guerrillas.

Amritsar security tightened

SECURITY restrictions were extended throughout the Sikh holy city of Amritsar yesterday after a grenade attack at a Hindu shrine killed three people and wounded at least 35, police said, Reuter reports from New Delhi.

Curfews were extended, and schools and colleges closed. Security forces took up positions around the walled city centre which contains the Sikh community's holiest shrine, the Golden Temple.

The latest casualties in Hindu-Sikh violence occurred when a fragmentation grenade was tossed into the crowd at the shrine. It exploded among Hindus planning a procession to celebrate a religious festival.

ADB credit for India

The Asian Development Bank has proposed a "line of equity" of $2bn-$3bn (£1.4bn-£2.1bn) to the New Delhi-based Industrial Finance Corporation of India and $100m credit line to the Industrial Credit and Investment Corporation of India, our Bombay correspondent reports. This is in response to India's application to borrow $2bn over four or five years from the bank.

The ADB is evolving the new instrument—a line of equity—for indirect investment, with a view to fostering the private sector in its member-countries. The Funds are to be invested in small and medium-sized enterprises.

IMF team in Israel

An International Monetary Fund delegation has arrived in Israel to study the country's inflation-plagued economy before preparing recommendations for the IMF and World Bank, Reuter reports from Tel Aviv.

The four-man delegation is to meet top Israeli economic officials during its two-week stay.

Kuwaiti call-up plan

Brig Nasser Bourisli, a senior military commander in Kuwait, has said that if a national emergency were to arise in the country, then non-Kuwaitis and women could be subject to a call-up, Kathleen Evans reports from Dubai.

HK broadcast move

The Hong Kong Government has appointed a board to review the territory's future broadcasting needs, including the possible introduction of cable, subscription and satellite television services, Robert Cottrell reports.

The board will also recommend broadcasting policies to be adopted by the Government following the expiry of existing franchises to local television stations in 1988, and radio stations in 1989.

Security pact talks

South Africa and Mozambique, who are planning to sign a mutual security pact, will hold another round of high-level talks in Cape Town today South Africa's Foreign Minister, Mr Pik Botha, said, Reuter reports. Details of the pact could be announced today.

Malawi aid plea

Malawi appealed yesterday for Kawacha 150m (£82m) in international aid over the next three years to sustain its agriculture-based economy, Reuter reports from Blantyre.

Malawi's Finance Minister, Mr Chakakala Chazlya, opening a two-day aid donor conference, said this amount was needed to bridge the gap between aid already pledged and the Government's estimate of the investment needed to maintain growth until 1987.

Philippines funds vote

A Reagan Administration effort to try to restore $60m (£42m) in 1985 military aid funds for the Philippines failed yesterday in the House of Representatives Foreign Affairs Committee, Reuter reports from Washington.

The panel voted to boost economic aid from $95m to $155m, while reducing military assistance from $85m to $25m.

Iran, Iraq report heavy fighting

BY OUR MIDDLE EAST STAFF

IRAN AND Iraq reported further heavy fighting yestreday in the southern sector of the frontier battle-front which again appeared centred on the marshy area north and east of Basra.

Amid the usual claims of huge casualties and sweeping victories, the two sides both stated that Iran had launched a further offensive.

Iraq said that the Iranian attack had penetrated its defensive lines at three points, but the advancing forces had been surrounded and were being "wiped out."

Iran said its troops had seized a strategic bridge and were in the process of crossing a canal, having "achieved most of their objectives."

As in previous fighting during the three-and-a-half-year Gulf war, Iran looks to have been successful in partially breaking through forward Iraqi defences but will probably not have the logistical capacity to consolidate its gains.

Baghdad Radio also reported yesterday that seven "enemy naval targets" had been set on fire and sunk as they tried to approach Bandar Khomeini at the head of the Gulf.

A military spokesman said the attack was a part of Iraq's declared blockade of Iranian ports, including the main oil terminal at Kharg Island.

However, there was no independent verification of the Iraqi claim and there is unlikely to be any, unless one of the ships said to have been attacked was flying an international flag.

The oil industry and marine insurance market have been extremely sceptical of Iraqi claims to have attacked shipping in the Gulf, especially since Baghdad said on Monday that it had bombed Kharg Island. There has been no evidence to support the claim.

Arafat leaves Amman after 4 days' talks

By Rami Khouri in Amman

MR YASSIR ARAFAT, the Palestine Liberation Organisation leader left Amman yesterday after four days of talks with King Hussein of Jordan that established basic principles for joint future moves towards a negotiated Arab-Israeli peace effort.

But few details were agreed between the two delegations, which looked on this week's meetings as only the beginning of a lengthy process that could move forward only in co-ordination with the other powers in the Arab world.

Palestinian and Jordanian officials emphasise the broad nature of the discussions, saying that agreement on more specific matters was left for future meetings.

The talks emphasised the pressures on the two sides to push ahead towards a negotiated settlement with Israel, and the obstacles to doing so from other quarters in the Arab world.

A large delegation of notables from the Israeli-occupied West Bank and Gaza came to Amman during the talks and met King Hussein and Mr Arafat, urging them to formulate a joint policy to reach a possible negotiated peace with Israel.

UN CALL FOR NEW LEBANON EFFORT

Veto hits peace-keeping hopes

BY OUR UN CORRESPONDENT

POSSIBILITIES for an expanded UN peace-keeping role in Lebanon appear slim following the Soviet Union's veto of a French proposal to deploy UN troops in and around Beirut to replace the multinational force that entered the area in September 1982 and is now being phased out.

After the vote on Wednesday evening, Sr Javier Perez de Cuellar, UN Secretary-General, appealed to the Security Council to continue to address the Lebanon crisis "with the closest attention and sense of urgency."

With his own country, Peru, occupying the Council presidency for the month of March —succeeding Pakistan—Sr Perez de Cuellar has an opportunity to exercise more than his usual influence.

But unless Moscow or Washington, or both, undergo profound changes of heart, the stalemate is likely to persist, in the view of most diplomats.

The report from Paris yesterday that France would withdraw its force from the Beirut area within a few days lent support to the suspicion among a good many delegates since the start of the UN exercise in early February, that the French diplomatic initiative was motivated mainly by domestic considerations.

Despite strong indications at the beginning that the Soviet and U.S. positions on the Lebanon issue were irreconcilable, the French delegate, M Luc de la Barre de Nanteuil, followed up days of intense private consultations among council members by insisting on public debate on Paris's "peace plan."

Formal meetings began on February 15 after the Quai d'Orsay had issued surprisingly optimistic statements about a supposed conciliatory Soviet attitude.

That interpretation was soon rejected by U.S. officials. Nevertheless, after three meetings of the Security Council over two weeks, M Claude Cheysson, the French Foreign Minister, was reliably reported to have instructed his UN delegate to seek a vote as early as last weekend.

Although opposed by a majority of members, this did generate renewed efforts by the Council's non-aligned members to bridge the political gap between Moscow and Washington with their own formulations —many of which were eventually embraced by France in a revised draft resolution.

On Monday evening, after all 15 members held lengthy talks behind closed doors, British diplomats said that, given more time for negotiations, they felt there was a chance of success.

However, M de Namtueil evidently was under intense pressure from Paris to have the case decided, regardless of the outcome, by the end of February.

In the event, there was the rare spectacle of the Soviet Union and the Ukraine—that country and Byelorussia have separate UN membership under an arrangement made when the world body was established—voting against a resolution supported by such Third World friends of Moscow as India, Nicaragua and Zimbabwe.

Tass, the official Soviet news agency, yesterday blamed the U.S. and its allies for the veto. The principal Soviet objection to the proposals was that the U.S. should withdraw its ships from off the Lebanese shore to prevent any possible renewed shelling of the mainland.

On the other hand, the Soviet Union seems to have suggested that all forces of the current multi-national force should be withdrawn, possibly including the French, before a UN force could be installed.

The carnage in Iraq's mud-hut villages

By Subby Haddad of Reuters in Al-Beidha, south Iraq

IRANIAN DEAD littered this remote Iraqi village and surrounding marshes yesterday after three days of savage battles. Reporters who arrived in the village, six miles from the Iranian border, saw many teenagers among the Iranian dead.

An Iraqi army colonel said there were thousands of Iranian dead and that there had been no time to bury many of them. Briefing journalists at his headquarters near the village, a field commander said: "We destroyed the invaders in a Vietnam-type counter-attack which completely cleared the marsh of enemy soldiers." He said thousands of Iranian troops, mostly irregulars, attacked at midnight on Monday, crossing the marshes in craft ranging from motorised canoes to vessels carrying up to 150 men.

None of Al-Beidha's 2,000 mud houses were left intact. The village school and dispensary were destroyed. Many people of this village and two nearby hamlets, inhabited mostly by fishermen and buffalo breeders, were killed when they refused to co-operate with the Iranians, an Iraqi officer said.

Walking along a 25-mile earth dam crossing the marshes, reporters counted more than 400 Iranian dead lying on either side of the dam or floating on the waters. Along the dam were Iranian foxholes

Dozens of Japanese-made Yamaha motor-boats used by the Iranians were still burning, while Iraqi troops drove their own vessels through the marshes to collect abandoned weapons

AMERICAN AND WORLD TRADE NEWS

Reagan initiative tempts jittery Hong Kong money to a haven in the sun

BY HUGH O'SHAUGHNESSY IN LONDON, CANUTE JAMES IN KINGSTON AND DAVID THARP IN PANAMA CITY

THE COUNTRIES of the Caribbean are moving fast to capitalise on the benefits they see accruing to them from President Ronald Reagan's Caribbean Basin Initiative which came into force on January 1.

Under the Initiative, those countries whose governments are approved of by Washington get duty-free access to the U.S. market for 12 years for a wide range of locally manufactured products.

The definition of "locally manufactured" gives a good deal of latitude to businessmen—in some cases no more than 20 per cent of the value of an item exported to the U.S. need have been generated in the Caribbean.

Some Caribbean countries who are signatories to the Lomé Convention and enjoy duty-free access to the EEC see a bright future for themselves as offshore manufacturers to both Europe and the U.S. In addition to the export incentives, many territories are offering their own local tax holidays.

The uncertainties hanging over the political and economic future of Hong Kong are also stimulating the Caribbeans to try to attract to their own shores some of the territory's manufacturing industries and some of the offshore funds lodged in its banks.

A mission from the Barbados Industrial Development Corporation, which held a seminar in London a few days ago pointed out that its literate workforce claimed to be adaptable and hard-working is used to wage levels of no more than a fifth of those in Britain. (Among the companies which have migrated to Barbados is a garment manufacturer which quit El Salvador at the beginning of the civil war.)

Jamaica already feels it has made a breakthrough in luring two garment manufacturers from Hong Kong to establish plants in the Kingston Free Zone.

Mr Edward Seaga, the Prime Minister, says several companies in Hong Kong are planning to relocate in the Caribbean "as insurance against problems which may be in Hong Kong's future."

The size of the investments by the two companies—Migma and Esquel—is in the millions of dollars, says Mrs Corrine Mclarty, managing director of the Jamaica National Investments Promotions agency. One of the companies will employ 4,000 workers.

"The uncertain political future of Hong Kong is a 'push' factor, while the competitive advantage they will have through the Caribbean Initiative is a 'pull' factor," she says. "We have also identified a potential in Hong Kong in sectors such as furniture, toys, electronics and various assembly-type operations."

The promise of a flood from Hong Kong has come after a trickle from North America and Western Europe, the original targets for getting investments. In the past three years new businesses with a capitalisation of about $110m have been attracted to the island. Most of these have been joint ventures between foreign and local investors, but the average capital outlay has been half a million dollars.

While planning to make the most of Hong Kong's uncertainties, and attempting to lure investors from other countries in the Far East, the Government is working at getting to more Western European companies, to invest.

The Government lists Jamaica's advantages as competitive wage rates and other production costs, easier access to the U.S. and lower shipping costs because of proximity.

However, local businessmen say they would like to see immediate improvements in basic infrastructure, such as electricity and water.

Panama also sees Hong Kong's 1997 dilemma as a golden business opportunity. The territory is a major target in its strategy to attract foreign investment. Interest was stirred by evidence of capital flight from Hong Kong.

"Panama has had a steady stream of foreign investors coming here looking for a place to put investments from Hong Kong companies," observed a Panama-based British businessman.

A Panamanian official responsible for attracting foreign investment added: "Chinese and foreign investors in Hong Kong are very edgy. They put a good face on Peking's repossession of its territory in 1997, but under the surface they say the situation is very unstable.

"We expect many Hong Kong investors to pull out their capital, so we want them to move to Panama if they are looking for other markets. "We'll do everything possibe to attract them."

Panama dispatched a high-level financial mission to Hong Kong and northeast Asia a month ago to lobby aggressively for investments and project their image as the financial "crossroads of the world."

The Panamanians pointed to their stable currency—the U.S. dollar (the official unit is called the Balboa but exists in name only), the 134 foreign banks in Panama City, the infrastructure of the Colon Free Zone, the educated and cheap labour force, and the easy access to North and South American markets.

A major disincentive to foreign investors may be Panamanian workers' hard-won labour laws, however. The laws are described by some as too rigidly pro-labour.

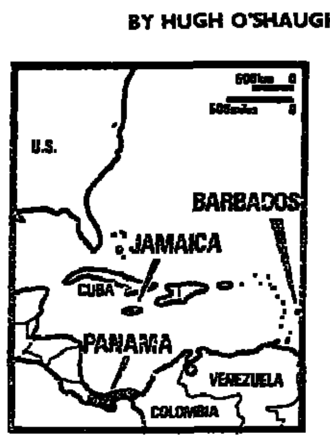
Panamanian officials are telling investors unofficially that plans are afoot to amend the offending sections of the labour laws for the benefit of export-orientated businesses.

Of the contenders for new industries and money, Panama, with its established hive of international banks dealing with both legitimate money and funds from the more dubious business enterprises of the Americas, can clearly offer more financial facilities than the others.

As far as manufacturing is concerned, Barbados, though it has a smaller domestic market than Jamaica or Trinidad and Tobago, evokes an image of greater political stability and social peace than the others, though that image was dented a little when the island became the base for the U.S. invasion of Granada last October.

Despite the Grenada affair Barbados looks set to pick up a larger share of the region's industrial investment. Its tranquility is in sharp contrast to the often violent atmosphere in the streets of Kingston.

Jamaica's ace is its geographical proximity to the U.S. and its support from Washington. During the past four years the U.S. administration has been doing all it can to demonstrate that the free enterprise ethos of the government of Prime Minister Edward Seaga is more conducive to business and fast economic growth than the notions of the former social democratic government of Mr Michael Manley.



CAPITAL flows into and out of Hong Kong are a matter of conjecture, since the Government keeps no balance of payments figures, Robert Cottrell writes from Hong Kong. Over the past two years, as Hong Kong's awareness of its uncertain future has grown more acute, the probable picture is that while short-term funds have been flowing in to the territory's banking system, Hong Kong's long-term capital investors have increasingly looked abroad.

Many Hong Kong companies, even large ones, remain family concerns. An imporant criterion in investing abroad may be the ability to secure citizenship or residency rights. Hong Kong citizen's current British passports carry no right of residence in Britain—a major worry for those who distrust China's promises that it will preserve Hong Kong's way of life when the territory reverts from British to Chinese sovereignty in 1997.

There are also economic reasons for Hong Kong manufacturers to consider investing overseas. Many countries are prepared to subsidise capital investment, while Hong Kong is not. Textile and garment companies, which account for almost half Hong Kong's manufacturing sector, can export only within the quota limits set by important markets such as the U.S. and the EEC.

China urged to shift exports from textiles

BY ROBERT COTTRELL IN HONG KONG

CHINA SHOULD diversify away from textile and garment sectors if it wants to increase significantly its exports to the U.S. and keep trade relations smooth, a U.S. diplomat said yesterday.

Mr Charles Freeman, deputy chief of mission at the U.S. embassy in Peking, said that 51 per cent of China's 1983 exports to the U.S. comprised textile and garments. This concentration, he said, "not only severely limits China's potential for rapid growth, but could also cause increased bilateral trade friction as China seeks to penetrate our most sensitive and depressed market area."

Mr Freeman said that the immediate outlook for Chinese exports to the U.S. is that "they may not rise significantly beyond recent levels of U.S.$2.2bn or so."

In 1983, said Mr Freeman, two-way U.S.-China trade totalled U.S.$4.4bn, down 15 per cent from the 1982 level of U.S.$5.2bn. Agricultural exports from the U.S. to China fell by 64 per cent, in 1983, to U.S.$544m, while China's textile exports to the U.S. rose 22 per cent to top U.S.$1bn.

Mr Freeman said he expected Chinese grain purchases from the U.S. in 1984 to make up the shortfall seen in 1983, but added that China's "suspension last year of grain purchases which it was clearly obligated to make under our long-term agreement" was a contributing factor to the "tension and suspicion" which still remained in some aspects of U.S.-China relations.

AP-DJ adds: When the two countries failed to come up with a new textile trade agreement at the end of 1982, the U.S. applied unilateral import restrictions. China retaliated by halting purchases of U.S. grain.

Turner likely to seek Trudeau's post

BY NICHOLAS HIRST IN TORONTO

MR JOHN TURNER, the front-runner to succeed Canadian Prime Minister Mr Pierre Trudeau as leader of the ruling Liberal Party, is to announce on March 16 whether he will seek the post.

Other potential candidates, including Mr Jean Chretien, the Energy Minister, who many believe has the best chance after Mr Turner, are expected to declare their intentions shortly.

Following Mr Trudeau's letter to Mrs Iona Campagnolo, party president, on Wednesday, stating his intention to resign as soon as a new Liberal leader was elected, the party executive is meeting in Ottawa today and tomorrow to pick a date and a place for a leadership convention. It will be probably held in late May or early June.

Mr Turner's advisers are saying it is almost certain that the 54-year-old Toronto lawyer will run. In 1979, after Mr Trudeau, as leader of the opposition, resigned only to return to win an election in 1980, Mr Turner declared he would not seek election. This time, many in the Liberal Party feel he is the only man with a chance of repairing its low standing in the opinion polls.

A good-looking, charismatic figure, often called "Old Blue Eyes", Mr Turner resigned as Finance Minister in 1975, just before Mr Trudeau introduced wage and price controls. He gave up his House of Commons seat a year later to join the prestigious Toronto law firm, McMillan Binch.

Since then he has kept an active network of friends in the Liberal Party, some of whom supported his unsuccessful bid for the leadership in 1968, when Mr Trudeau won. Mr Turner is bilingual, important for gaining votes in the Liberal stronghold of Quebec, has links in the west of Canada, where the Liberals are presently unpopular, and is liked by the business community.

The man who succeeded him as Finance Minister, Mr Donald McDonald, was going to run for the leadership in 1979, but is thought unlikely to do so now. Mr Chretien's main disadvantage is that, like Mr Trudeau, he is a French Canadian and traditionally leadership has alternated between French and English speakers.

Since Mr Trudeau's announcement, tributes and criticisms of his 16 years as party leader – all but nine months spent as Prime Minister – have flooded in. He has been credited with keeping Quebec within Canada

Tip O'Neill may retire

BY STEWART FLEMING IN WASHINGTON

MR THOMAS P. O'NEILL, the powerful speaker of the U.S. House of representatives, said yesterday he would like to retire from Congress at the end of the year if he could become ambassador to Ireland.

He said he would continue in his present role until 1986, however, if the opportunity to become the ambassador did not arise.

Two things would have to happen for the opportunity to arise: one would be the victory of a Democrat in this year's presidential election, the other a decision by a Democratic president to appoint Mr O'Neill as ambassador.

Mr O'Neill was elected to Congress in 1952, taking over the Boston congressional district vacated by John F. Kennedy, and became speaker in December 1976.

With the Democrats in control of the House, he has been a particularly influential figure for the Republican White House to deal with. If he retires, his successor is widely expected to be Mr Jim Wright of Texas, the House majority leader and a man seen to be in the centre of the Democratic Party's political spectrum.

B and O switches VCRs

BY TERRY POVEY IN TOKYO

BANG AND OLUFSEN (B and O), the Danish quality audio and video equipment manufacturer, has reached agreement in principle with Hitachi to purchase video cassette recorders (VCR's) using the VHS-format from the Japanese company.

B and O have yet to submit detailed design proposals or to specify production targets. Previously the Danish company sold only VCR's using the V2000 format developed by Philips of the Netherlands.

Sharply falling demand for the V2000 system is the main reason for the shift said B and O.

The Hitachi-made VCR's will be for sale only in Europe as the Danish company only sells audio equipment in Japan. As elsewhere it emphasises its distinctive design features and integrated sound and video systems.

Budget fears hit assurance shares

By Eric Short

LIFE ASSURANCE shares fell sharply on the London Stock Exchange yesterday because of fears that the Chancellor of the Exchequer, in his budget on March 13, might end the present tax concessions for regular premiums.

The FT-Actuaries index for life assurance shares fell 5.9 per cent to 469.09.

The tax relief, known as LAPR (life assurance premium relief) gives a tax credit to policyholders of 15 per cent of the gross premium. LAPR is estimated to cost the Government more than £700m in tax revenue in this financial year.

Mr Brian Corby, chief executive of the Prudential, Britain's largest life assurance group, yesterday urged the Chancellor to consider the impact of any change in LAPR on the individual saver.

He said the present system of tax concessions to financial institutions should not be attacked in a piecemeal fashion. The right way to proceed was through full consultation with all interested bodies.

Mr Corby criticised life companies which marketed tax avoidance plans in a manner which went against the spirit of the concessions.

Further rise in underlying jobless total

BY PHILIP STEPHENS

BRITAIN'S underlying jobless total rose in February for the second consecutive month, disappointing government hopes that unemployment had levelled off.

The Department of Employment said yesterday that the seasonally adjusted total of people out of work, excluding school leavers rose 28,600 last month to reach 3.005m, the highest level since April 1983.

More worrying, the number has been rising by an average 22,000 in the three months since December, breaking the trend established last summer towards a basically stable figure.

The unadjusted total of unemployed fell by 13,400 in February to 3,186m, but that was well below the normal seasonal downward shift. Mr Tom King, the Employment Secretary, said the figures were "disappointing," although he added that in view of the continuing improvement in the economy it was too early to draw firm conclusions.

The Government is clearly hoping that the buoyancy of the economy, with output, exports and consumer spending all relatively strong, will soon feed through to affect the jobless totals.

Mr King said recent figures on the number of jobs in the economy showed an improvement. The Government's present policies were the best way to bring a sustained cut in the total unemployed.

Less encouraging for the Government, however, was a 3,300 fall to 148,700 in the number of vacancies notified to Jobcentres.

Vacancies have dropped each month since autumn, after rising steadily throughout last summer.

Mr John Smith, Labour's employment spokesman, said that there was no prospect of a substantial cut in the total, even next year.

The Confederation of British Industry, the employers' organisation, appealed to the Chancellor of the Exchequer to cut business costs. It said that was one way to reverse the underlying upward trend in unemployment.

Based on the seasonally adjusted figures, 12.6 per cent of the working population was out of work in February, compared with 12.5 per cent the previous month.

Withdrawal of drug is recommended

BY CARLA RAPOPORT

BRITAIN's Committee on Safety of Medicines has recommended the withdrawal of a well-known anti-inflammatory drug, oxyphenbutazone. It has also recommended severe restrictions on the use of a second drug in the same therapeutic class.

The confidential recommendation was sent to Ciba-Geigy, the developer and main manufacturer of the drugs, known as 'butes', this week. The Swiss-based company has a month in which to consider an appeal.

If Mr Kenneth Clarke, the Health Minister, upholds the committee's recommendations, it will be the fifth withdrawal of a drug in the anti-inflammatory class in less than two years.

Ciba-Geigy, which has worldwide sales of about SwFr 170m (£52.6m) in the two drugs, markets oxyphenbutazone under the name Tanderil. The committee has recommended that a related drug, phenylbutazone, should be restricted to hospital use and the treatment of rheumatism of the spine. Ciba-Geigy's brand name for this product, which has been sold in Britain for about 30 years, is Butazolidin.

It is believed that the U.S. Food and Drug Administration will also restrict the use of the drugs. In Japan, health authorities yesterday announced restrictions, on the butes because of side-effects.

Neither drug is covered by a patent protection and Ciba-Geigy is not the only manufacturer. The company, however, accounts for the bulk of sales.

GCHQ unions concede

BY DAVID BRINDLE

THE CIVIL SERVICE unions yesterday conceded defeat in their fight to thwart the Government's ban on union membership at its secret intelligence centre, GCHQ, at Cheltenham in western England.

They admitted that too few of their members at GCHQ had opted to resist the ban to stop it taking effect yesterday, the Government's deadline for acceptance of its terms.

The unions also acknowledged that the number who had initially resisted the ban was declining.

In the House of Commons, Mrs Margaret Thatcher, the Prime Minister, said well over 90 per cent of GCHQ staff had complied with the ban. "The decision on GCHQ was urged on us by the management. It was welcomed by some, and I realise it caused difficulty for others."

Govan yard wins £30m ship order

By Mark Meredith, Scottish Correspondent

THE MEDIUM-TERM future of British Shipbuilders's Govan yard on the Upper Clyde, in Scotland, has been assured with a £30m order for three coal-carrying ships for the Central Electricity Generating Board (CEGB).

Govan is one of British Shipbuilders' more successful yards in terms of efficiency, labour relations and commercial competitiveness, but the order came just as work at the yard was running out. About 350 of the 2,200 workforce are at present laid off.

The CEGB contract will not fill the yard's capacity, and lay-offs are expected to continue until construction of the 20,000-tonne ships begins.

It is thought that a recent agreement between the Govan management and unions on flexible working was a factor in securing the order.

Unions have agreed to give up certain craft demarcations; delays have been reduced and productivity has risen.

The yard is now seeking more specialised work such as product tankers and car ferries.

Bechtel reconsiders plan to take over Scott Lithgow yard

BY OUR SCOTTISH CORRESPONDENT

THE UK arm of Bechtel, the international engineering concern, signalled yesterday that it was reconsidering its proposals to take over British Shipbuilders' Scott Lithgow yard on the Lower Clyde and finish a £88m order for Britoil.

This did not mean an immediate withdrawal from the three-company race to move back into the troubled yard and resume work on a big semi-submersible drilling rig, senior Bechtel executives said last night.

But Bechtel is known to feel at a disadvantage against Trafalgar House, the property and shipping group which appeares to have the edge partly because of a provisional agreement with British Shipbuilders to take over the yard.

Bechtel said it was reviewing its position on the takeover.

The third contestant is Howard Doris, an Anglo-French consortium which operates an offshore fabrication yard in the Western Highlands of Scotland and has made an approach in collaboration with the Swedish yard Gotawerken Arendal.

The victor, however will be the company which convinces Britoil that it can complete the rig which the oil company cancelled at Scott Lithgow in December because it was two years behind schedule. Britoil said last night that it was still talking to the three companies.

Earlier this week the Government announced it had increased its spending estimates to provide £125m to British Shipbuilders, chiefly to cover the costs resulting from the Britoil cancellation. This followed the Government's earlier pledge to "wipe the slate clean" at Scott Lithgow.

Bechtel managers admit that several aspects of their proposals have been unpopular, including possibly £80m in extra costs if they salvaged the Britoil contract. Bechtel has also proposed a three-month reassessment period before work could resume, and said they would want the entire workforce made redundant before starting to rehire.

Trafalgar House has proposed keeping 1,500 of the present 3,000 workforce. Trafalgar and Howard Doris have also said they would be ready to take on another semi-submersible, which is 95 per cent complete at the yard. The rig was ordered by BP, which this week formally cancelled the order because it was a year behind schedule.

Bechtel insists that it would not want to take on outstanding contracts in addition to Britoil's rig.

Daewoo may rescue Hymac business

BY ROBIN REEVES

DAEWOO, the large Korean industrial group, is close to agreement on the purchase of the assets and business of Hymac, the South Wales based earth-moving equipment manufacturer, the receiver managers announced yesterday.

The deal promises to end a long period of uncertainty about the future of Hymac, which was put into the hands of receivers in November after the collapse of IBH Holdings, its West German parent. Terex, the other UK subsidiary of IBH, was reacquired by General Motors last month in a $3m deal.

Daewoo's Hymac purchase appears to hinge on a satisfactory outcome to negotiations, already under way, with the Welsh Development Agency and the Welsh Office on a substantial financial aid package.

Price Waterhouse, the receivers, said completion of the deal was subject to formalities. They added that it could lead to "substantial" employment at the Hymac site at Rhymney, in the Welsh industrial valleys.

Daewoo is one of Korea's largest industrial groups with interests in heavy engineering, shipbuilding and electronics.

The NEI Thompson group, of Wolverhampton, has also been in the running to take over the Hymac business. It told the receivers that it was interested in moving the Hymac business to the West Midlands.

As part of a campaign to keep Hymac in Rhymney, former workers have been keeping a 24-hour watch on the factory.

● Micom-Borer, the UK subsidiary of Micom, a U.S.-based supplier of data communications equipment, has spent £1m to establish its own manufacturing plant in Britain.

The company has a contract with British Telecom, worth about £3m, for the supply of high speed modems, devices which enable computers to communicate over telephone lines.

Micom is one of the fastest growing U.S. data communications suppliers

Daewoo's U.S. car deal, Page 10

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

Technology management

The price of turning a blind eye

BY CHRISTOPHER LORENZ

IN ONLY three years as chairman and chief executive of U.S. General Electric, Jack Welch has earned a reputation as a technological messiah. From insisting that each new general manager spend some time in the laboratory, to demanding that every GE business be "technologically excellent," he has done all he can to convince his executive barons that technology is crucial to competitive success, whether their products are aero-engines, robots, plastics or just dishwashers.

Welch's noisy cajoling of his staff is only the most visible aspect of a far-reaching shift that has been under way for a good six years in the priority GE gives to technology within its overall business strategies.

The change had its roots in a series of highly self-critical studies in the mid-1970s. In one business after another, they concluded that GE's technology had either fallen behind its main competitors, or was being poorly co-ordinated *with its market strategy, or* both.

Its remedy included the injection of "technologists" into the inner circles of general management *at several levels* in the company, and a much more careful integration of business and technology planning.

Where GE led, many other previously complacent western companies are now trying to *follow*. While rating product and process technology as one *of their top four concerns for* the 1980s (after the cost of capital, energy costs, and government regulation), almost two-thirds of the 800 executives in a recent U.S. survey thought their (large) companies were doing a poor job of harnessing it to their corporate strategies.

Booz Allen and Hamilton, the consultancy which did the research, drew the conclusion that there was "a vast and *growing strategic gap*" between the perceived importance of both product and process technology to business success, and the attention it *receives from top management*. The growing recognition of this gap by mature, low-technology companies as well as those in "high-tech" *industries, has created a boom* in demand for help with technology management. Among the beneficiaries are Booz and most of its main international *competitors*, includng McKinsey, Arthur D. Little (ADL) and especially PA Technology, whose staff has more than doubled to 600 in the past five years.

But a mass of other companies is still apparently unaware of its technological failings. Consultants at PA Technology were struck last summer by the results of a survey they had commissioned among British executives: a *proud 40 per cent considered* that their own companies made "the most technologically advanced products in the world," while only 35 per *cent attributed technological* leadership to their international competitors.** What about the strengths of the Americans, Germans and *Japanese, one might ask?*

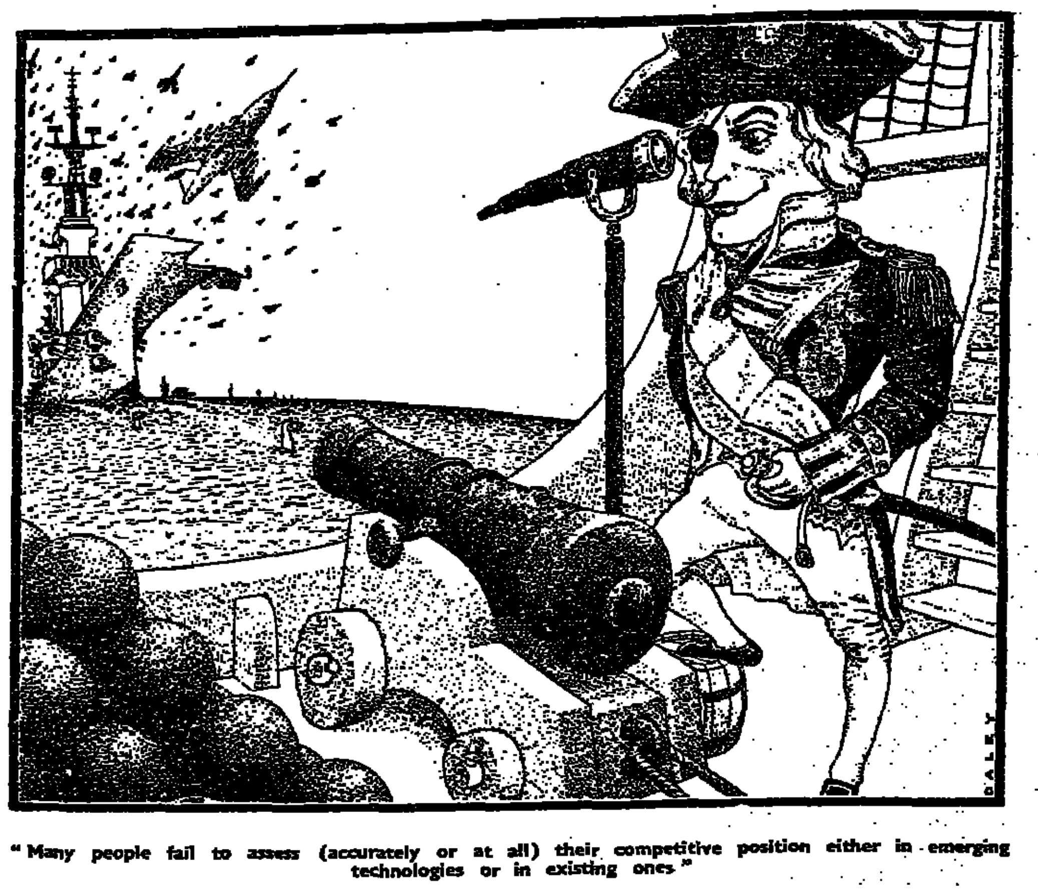
The game was virtually given away there and then by the fact that only eight per cent of the managers rated British companies other than their own as technological leaders—in other words, they almost all thought each other was lying (mistaken, anyway).

Such over-confidence should, surely, have been dissipated once and for all a few months later when the British Government revealed that, for the first time, the country had an annual trade deficit in manufactured goods, thanks in particular to soaring UK demand *for sophisticated foreign* products. In the politely mild words of Dr Stuart Exell, marketing director of PA Technology, "most companies, *almost regardless of nationality*, are complacent about their technological strengths and weaknesses." Myopic might be a better term for it.

The reasons for such shortcomings, and for the many difficulties experienced by companies which try to overcome them, are examined in *the article below.*

* *Technology Management Survey Results, 1981. Available from Booz Allen offices in New York, London and other cities.*

** *Impact of new technology on British industry. Carried out by Market and Opinion Research International.*



"Many people fail to assess (accurately or at all) their competitive position either in emerging technologies or in existing ones"

'Many chief executives have surrendered control over innovation'

ALL TOO often, companies fail to distinguish between those technologies which are really central to their future competitiveness and those which are of subsidiary importance.

Take the microprocessor, suggests Stuart Exell of PA Technology. A few years ago it was a "key" technology in which it was worth spending heavily because few companies possessed it. Now it has become a "base" technology: it is widely available, so it has ceased on its own to provide many equipment manufacturers with a substantial competitive advantage.

Bruce Williams of Arthur D. Little agrees: "Most companies put far too much investment into base technologies," he argues. "They fail to appreciate that today's key technologies may not be tomorrow's."

This is just one of a large inventory of technology management problems which has been catalogued over the last few years by a Greek chorus of academics, consultants and practitioners.

The problem can be classified into "cultural" and "procedural" failings. Many companies which have overcome the first category are still suffering from the second.

The most striking "cultural" failing is that "companies overdelegate the process of innovation," in the *words of* Dr Maurice Sage, a former EMI and Philips executive who now runs an electronics consultancy. Dr William Sommers of Booz Allen is even more critical: "Many chief executives have surrendered control over this critical aspect of their business. While management tends publicly to espouse the importance of technology, few companies approach it as a strategic issue."

The explanations offered for this curious phenomenon suggest, in a nutshell, that a bunch of top managers with *little technical experience*, and who have been educated to focus their attention on short-term issues, see technology as complex, long-term, narrow (just R and D), and highly uncertain. They are not only "technology-averse," to use a phrase coined by Professor Wickham Skinner of the Harvard Business School, but they often find it downright intimidating.

Whether or not they also *make the mistake* of underspending on technology, they therefore delegate the management *of it, either well down*-the-line, or to a senior executive. To do the latter might be all well and good, except that *they don't then pay much attention* to what he tells them.

Influence

Richard Foster, head of McKinsey's international technology practice, points ruefully to a Conference Board survey in 1982† which showed that *only one U.S. chief executive* in five considers his top technology executive to be within his "inner circle"; in addition to the top financial officer, marketing, human resources, corporate planning and various operating managers all took precedence over technology. And, where the roles were split, production was given much more "clout" than R and D.

The inability of the top technical executive to have much strategic influence is often exacerbated, says Foster, by expecting him to act mainly as an administrator of laboratory projects.

The odds are that the company is then caught in a vicious circle. Top management is not sufficiently involved in the company's technology strategy (if any), so the technology managers have no influence over the *business* planners, and the business planners pay little attention to technological priorities. "When you dig into the technological side *of the organisation, you* frequently find that it's in a world of its own," says Kamal Saad of ADL. With 29 years of experience at GE behind him, most recently as its top technology planner, Lowell Steele confirms the worst; far from a textbook-like "coupling" between marketing, R and D production and so forth, he says "there's been border warfare for years between the different functions in most firms."

We have now reached the grey area between "cultural" and "procedural" failings, where the former spills over into the latter. First of all, companies tend to concentrate on the wrong technologies. This is often because they link the scale of technology investment to sales levels, so that the largest product group in a company or division automatically receives the largest *R and D budget*, even when another line should be given greater priority.

Secondly, companies fail to identify which of the several *technologies in any product or* process are key, either to its performance or to their own particular corporate strengths.

One top U.S. company made *the most obvious mistake of all*, says John Harris of Booz by investing heavily in its hardware when the critical competitive advantage was increasingly coming from software.

A third common cause of misallocated technology investment is in the vital area of competitive analysis. Like the myopic British managers surveyed for PA Technology, many companies fail to assess (accurately or at all) their competitive position, either in emerging technologies or in existing ones.

McKinsey's Dick Foster says they tend to concentrate on their existing large competitors rather than on the more likely source of technological threats: small- and medium-sized companies in other industries.

This pattern, and the often misguided tendency of large companies to react to new technologies by *re-investing in* their existing ones, was analysed in depth several years ago by Professor James Utterback of the Massachusetts Institute of Technology, and was widely publicised. But all too often the lesson has still to be learned.

Fallen short

We are now well and truly in the area of "procedural" failings — where a number of companies have tried over the years to carry out internal technology assessments, forecasting, audits and the like, but where they have all too frequently fallen short. One of the main problems is that it is extremely difficult for a group of company insiders accurately and objectively to assess their competitive position.

Another is that an audit by a specialised team of technologists (insiders or outsiders) generally carries little weight with senior management. Hence the story of a U.S. electronics company which thought it was the technological "number one," but was actually fourth or fifth. Joe Nemick of Booz com complains that "when you examine a company's competitive analysis, you sometimes just find a lot of out-of-date newspaper clippings."

The final area of procedural failings is in the measurement of the performance and potential of a technology. Dissatisfied with the inadequacy of conventional gauges of R and D productivity, *McKinsey in particular* has devoted considerable resources to researching the concept, and measurement, of the "limits" to any technology. The firm now uses an "S" curve which plots technological performance against man-hours invested (hard dollars, in other words), in place of the conventional axis of time.

This goes a long way towards answering the ultimate questions which every chief executive should want to know about his mushrooming but crucial R and D budget.

Stuart Exell says PA frequently uses the "limits" concept to deal with "How much money and time will it take me to make a real breakthrough in a new technology?"

The approach can help equally well to show how much scope *for innovation* is left in a more established technology. As Dr Ed Krubasik, head of McKinsey's *technology practice* in Germany puts it: "How much more progress can be *made for each extra dollar I* spend on R and D? When will the return become inadequate, and when should I leap into a more profitable technology?

Krubasik points out that "if you plot improved technical performance against time it looks impressive. But if you set it against R and D expenditure it can be frightening. It shows how often companies let their R and D labs keep working on the wrong technologies."

It also constitutes yet one more reason why it is so dangerous for top managers to cede control over their company's technology. GE's Lowell Steele is emphatic that "technology needs to be integrated far more closely with the rest of the company. Only 10 per cent of the decisions about it can be taken in isolation."

† Who is top management? *Report No. 821.*

TECHNOLOGY

EDITED BY ALAN CANE

SIEMENS SHOWS THAT IT CAN INNOVATE IN SEMICONDUCTORS

Strategy for the microchip future

BY ALAN CANE, RECENTLY IN MUNICH

- WHICH European company's senior executives conduct business conversations over telephones which allow the participants to see each other's faces?
- Which European company is so skilled in microchip fabrication that it can make tiny circuits using conventional photolithography which other companies can only achieve using x-rays or electron beams?
- Which European company spent over $300m last year in developing tools to improve the ways its engineers wrote computer software?

The answer to all three questions *is Siemens*, the quiet Bavarian giant of the electrical and computer industries. Those who think of the company as too large and stolid to perform *quickly and aggressively* in today's markets are clearly in for a surprise.

And it seems to have rid itself of the pervasive "Not-invented-here" syndrome of earlier years. "In principle, we have the resources to carry out effective research and development in our chosen areas," Professor Karl Heinz Beckurts, Siemens executive vice-president with responsibility for corporate technology, points out. "But we welcome co-operation with other companies and government research laboratories."

It has reworked its strategy to address four principal areas — the office of the future, the *factory* of the future, networking technology and energy generation and conservation. (Medical technology is not included here, although it is another of Siemens' major interests.) An obvious list, some might say, but the breadth and depth of technological expertise needed for competence in all these areas is substantial.

So Siemens these days is happy to co-operate with other companies — in what Prof Beckurts defines as the "pre-competitive phase" at any rate.

The company is collaborating with Philips of The Netherlands, one of Europe's biggest microchip manufacturers, on microelectronics and new semiconducting materials and with Bull of France and ICL of the UK in the European Computer Industry Research Centre: "The site is German, the director French and working language English; the perfect combination perhaps," Prof Beckurts smiles.

With 50 scientists now in post, the aim is to develop *artificial intelligence techniques* including expert systems along the same lines as the Japanese "Fifth Generation" project.

Microelectronics is seen by *Siemens as one of the major* elements in its product strategy: "Some 30-50 per cent of our products will incorporate microelectronics," Prof Beckurts reasons: "We must therefore be a major component supplier and we must have full access to microelectronic design techniques."

Siemens has installed substantial computer-aided design facilities for chip design, and uses the most up-to-date chip design methods including logic gate arrays and standard cell *libraries*.

What Siemens has achieved using conventional chip fabrication techniques is remarkable enough. "We are looking for *higher integration, higher* performance and better reliability," says Dr Hans Friedrich, senior director in charge of the company's microelectronics facility. *Some measure of Siemens* length of experience in the business is the fact that it was using devices called direct step-on wafer photolithography machines as long *ago as 1973*. These create the circuit pattern on the silicon surface one chip at a time — and consequently with very high precision — compared with industry standard projectors which create several hundred chip circuits at the same time.

Dr Friedrich says: "In 1979 we were able to draw lines on the chip surface 1.3 microns (millionths of a metre) apart. In 1982 we could do 0.7 microns and now we can do 0.5 microns on experimental chips."

By comparison, state of the art for most chips at present is about two microns.

Siemens is already supplying its 64kdRAM (over 65,000 bits of dynamic read and write memory) chip to IBM. Its 256kdRAM will be in sampling quantities soon and it is already at the design stage for its 1m bit chip.

Dr Friedrich is not complacent about the company's proficiency, however, pointing to Japan's unquestioned lead in memory technology. "Memory is the engine for developing new microelectronic processes," Dr *Friedrich says. "Just as micro*processors are the engine for design and testing."

Siemens work in microprocessors is directed towards *creating regular structures on* the chip instead of the "spaghetti" pattern which distinguishes most of today's processors, and towards putting *self-testing circuitry on the* chip.

How does Siemens use its chips? In products like its innovative high speed laser *printers, the ND2 and the ND3.*

At $3,000-$4,000 for the faster machine (206 pages a minute), they are not intended for the personal computer user but for the *serious data processing* shop. Dr Gunther Haass, director of engineering, believes Siemens has 17 per cent of the world market high speed *printers against IBM's 50 per* cent and Xerox's 24 per cent but he believes his share is growing more rapidly than theirs. The most recent machines can print on both sides of the paper simultaneously and in two colours.

Siemens' chips also find homes in its range of computers. It is not commonly known that the company offers a complete range of machines from personal workstation to mainframes.

The first of the new top of the range mainframes offering in excess of 6m instructions a second (comparable, say, with *IBM's mid-range machines*) will be installed later this year.

The company also intends to launch a new range of personal workstations which will allow *combinations of options* — computer plus printer, word processor plus facsimile machine, for example, at the forthcoming Hanover Fair.

Siemens has standardised its software for its smaller computers on a version of Unix, the computer control program originating from Bell Laboratories *that is coming into* its own with the emergence of high powered (16- and 32-bit) processor chips.

Siemens version is called *"Sienix," controversially* perhaps because the world has connotations of "nothingness" in German. Prof Beckurts is amused: 'If Nixdorf (the highly *successful* West German small computer company) developed such a system would it call it 'Nixnix'?"

The company aims to "industrialise" *its software production* —in other words it is moving to the concept of the software factory using software engineering tools such as "Tool Manager" (TOM).

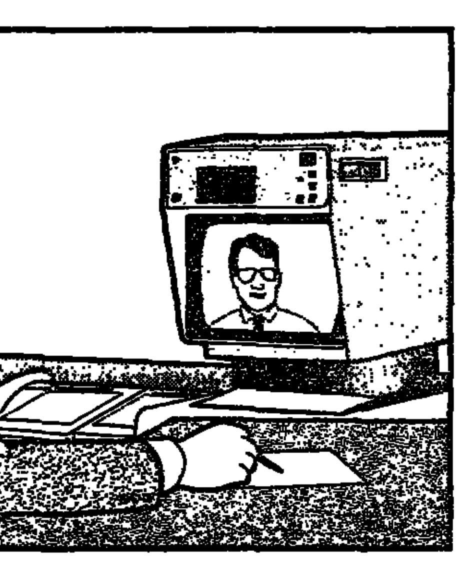
Perhaps the most spectacular example of Siemens' technology — bringing together its skills in glass fibre optics, computer technology, workstations and domestic consumer electronics — is Bigfon, a publicly funded experiment in the provision of a brand range of communications services to *individual* homes.

It has just gone live. Twenty-eight subscribers in Munich and 28 in West Berlin represent the *first of 10 Bigfon trials where* voice telephony, teletex, remote copying, broadcast videotex and a range of other services are available over glass fibre optical cables brought directly into the subscriber's home.

It makes possible, for example video telephony; a video camera mounted on top of the domestic television enables you to see who you are speaking to as well as hear them.

The company uses a simplex version of Bigfon, picturephone, in the offices of its senior executives. The users can see each other and by a clever arrangement of mirrors, they can show each other documents

Dr Edward Braun, in charge of the Bigfon project, emphasises its value to the deaf *and dumb who can communi*cate by signing to the video cameras: 'They are as happy as if they were in heaven." But it is an expensive experiment *at about DM 500,000 a trial* site.



Prof Karl Heinz Beckurts, Siemens, head of technology, left; executive picturephones ni action in Munich, centre; data paths only 0.5 micros apart on an experimental microchip, right.

COMPUTERS

IAL monitors computer networks

IAL HAS introduced a teleprocessing network monitoring system called New Medius that allows faults to be seen at a glance on colour displays and the appropriate re-routing and repair actions to be initiated.

The system is likely to be of particular interest to banks and other financial institutions running on-line networks: IAL's first customer for Medius is the National and Provincial Building Society, which is in the process of installing display terminals and passbook printers in 340 locations throughout the UK.

These will be connected by telephone lines to the society's mainframe computer in Burnley, Lancashire. New Medius, overlaid on the system, will be able to give instant warning when something goes wrong, allowing the network to remain fully operational for the maximum amount of time.

Other concerns operating on-line interactive terminals with central mainframes, such as airlines and defence organisations, are also taking an interest in the system.

According to Hugh Finlow, IAL's marketing manager for the product, who was quoting a Yankee Group survey in the U.S., 47.5 per cent of network *users have no clear idea* how much their network failures are costing them. However, 5.6 per cent quoted costs of between $100,000 and $10m per hour, although a more typical figure of $1,000 to $10,000 per hour was mentioned by 18.4 per cent of respondents.

This is quite apart from the goodwill that is lost if business is slowed down at ticket terminals or bank counters. Network failure could be even more embarrassing in the future when point-of-sale and electronic funds transfer become commonplace.

In essence, the New Medius system consists of suitable sensors connected at key points in the network to microprocessor-driven diagnostic units which are in turn linked to a central VAX 11/725 32-bit network processor. Monitoring is controlled by an extensive range of application software suites.

Connected to the computer are colour or monochrome screens on which a problem can be brought to the user's attention initially on a map of the UK—the town location is shown. The operator can then "home in" on the basic circuits and devices in use at that point and will be shown what the problem is. Alphanumeric displays give the fine detail.

Analyses of network performance, equipment failure rates and system availability are also produced by the computer and shown on easily assimilated colour displays.

The system, approved by BT and many foreign PTTs, can be used with new and existing networks. It is unaffected by the make of transmission equipment in use in the network, and has no effect on the data that is being transmitted.

Cost of the system is dependent on the facilities needed, but will lie between £1,000 and £3,000 per line connected to the network computer. IAL says a typical installation will have 50 to 100 lines.

The company asserts that, in view of the cost of down time, a New Medius monitor will often pay for itself in hours rather than months or years. It says that even a 20 line network is likely to exhibit several faults per day.

IAL is already setting up special sales facilities in the U.S. where last year the market for this kind of equipment was put at $230m. By 1990 it is expected to reach $1.5bn.

GEOFFREY CHARLISH

DIRECT BROADCAST TV

Japan's satellite

ELATED BY the success of the launch of its first direct-broadcasting satellite, the Japan Broadcasting Corporation plans to start beaming programmes with the vehicle in May.

The craft, Yuri 2A, was launched at the end of January. It is in a geostationary orbit some 36,000 km above the equator.

In March, Japan's National Space Development Agency will test the satellite before handing it over to the broadcasting authority.

The craft will provide TV pictures to 420,000 families in remote areas throughout Japan where access to TV provided by terrestrial networks is limited. Yuri 2A will also beam to 6m homes in towns and cities that suffer from poor reception.

Manufacture

Assembly robot from IBM

IBM has announced the availability in Britain of a new robot system, the IBM *7565. The £95,00 machine has* a gripper that moves with six degrees of freedom.

Mounted on a gantry, the gripper works out its location using a rudimentary sense of touch and a vision system. The computer company has tested the hardware in its own plants for jobs such as assembly of word processors and the insertion of components into printed circuit boards.

The machine is programmed with a language called AML that IBM says is easy to use. The new hardware follows two other robot systems that IBM already sells in Britain—the 7535 and 7540 machines.

Materials

Ceramic substrate

TOSHIBA HAS developed an aluminium nitride substrate, high in *thermal conductivity*, using a normal pressure sintering process.

The new "fine ceramic" substrate, about five times as thermal-conductive as the common alumina substrate now in use, is suitable for power semiconductors, such as used in industrial robots, a Toshiba spokesman said.

It is also suitable for logic LSIS (large-scale integrated circuits), he said.

As compared with the alumina substrate, the aluminium nitride substrate has 1.5 times insulating strength (dielectric strength), and about twice tensile strength.

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
2	3	4	5	6	7	8

Opera and Ballet

LONDON

Royal Opera, Covent Garden: Jon Vickers' title role performance in Peter Grimes is one of the glories of the contemporary operatic stage. He returns to the celebrated Covent Garden production in company with a conductor new to the opera, Bernard Haitink. Final performance of the successful Bohème revival, conducted by John Mauceri. (240 1066).

English National Opera, Coliseum: The new production of The Mastersingers is a curate's egg, with Gwynne Howell's Sachs and Alan Opie's Beckmesser to be counted among its attributes. The revival of The Barber of Seville is notable for Ann Murray's Rosina and Keith Lewis' Almaviva, both new to London.

PARIS

Maurice Bejart and the XXth Century Ballet: Messe Pour Le Temps Futur, expressing the anxiety, hope and fascination of the future. Palais des Congres (266 2075).

Spectacle Commedia dell'Arte to music by Richard Strauss, Arnold Schoenberg, *Edouard du Puy* conducted by Michael Boder with choreography by George Balanchine, Glen Tetley and Ivo Crammer respectively at the Opera Comique – Salle Favart (296 0611).

Verdi's Jerusalem conducted by Donato Renzetti in a new production by Jean-Marie Simon, with Cecile Gasdia as a splendid Helène, Veriano Luchetti in the role of Gaston and Alain Fondary as the Count of Toulouse. The Paris Opera (742 5750).

Paris Opera Ballet School performs to the music of Ravel, Lolle, Roussel. Choreography by George Balanchine, Harald Lander and Albert Aveline at the Théâtre des Champs Elysees (723 4777).

Rimsky-Korsakov's Coq d'Or conducted by Gabriel Chmura continues the Russian season at the TMP-Chatelet (233 4444).

NEW YORK

Metropolitan Opera (Opera House): James Morris as Don Giovanni is featured in a week that also includes Kiri Te Kanawa as Arabella conducted by Marek Janowski and Tannhäuser with Leonie Rysanek, conducted by James Levine. Lincoln Center (580 9830).

Martha Graham Dance Company (NY State Theater): A three-week season includes the world premiere of The Rite of Spring and New York premiere of Phaedra's Dream to inaugurate a tribute year and new venue for the company. Lincoln Center (870 5570).

WASHINGTON

New York City Ballet (Opera House): The Kennedy Center's dance season climaxes with the Washington visit of the New York City Ballet, which includes 17 works in six programmes, including five local premieres. Among ten Balanchine ballets and four by Jerome Robbins, the most recent work in the repertoire is Robbins Antique Epigraphs for eight female dancers set to two pieces by Debussy, which premiered at the recent winter season in New York. Kennedy Center (254 3770).

WEST GERMANY

Berlin, Deutsche Oper: Falstaff, sung in Italian, brings together Pilar Lorengar and Ingvar Wixell. Don Pasquale is again added to the programme with Costanza Cuccaro and Rüdiger Wohlers. Der Troubadour is conducted by Herbert von Karajan. Further performances are Die Lustigen Weiber von Windsor and Zimmermann's rarely played Die Soldaten, produced by controversial Hans Neuenfels.

Hamburg, Staatsoper: To commemorate Wagner's 100th anniversary die Meistersinger von Nürnberg, premiering this week, with star tenor Rene Kollo, Kurt Moll, Hans Sotin and Beatrice Niehoff. It is produced by Herbert Wernicke. Also offered Der Fliegende Holländer, perfectly cast with Theo Adam in the title role and Lisbeth Balslev as Senta. Wozzeck convinces thanks to Anja Silja, brilliant as Marie. Arabella closes the week.

Frankfurt, Opera: premiering this week is 'Schwanensee', a ballet-premiere, choreographed by the late John Cranko, danced to music by Peter Tchaikovsky. Soloists are Lucia Isenring and Barry Ingham.

Dance in Vienna

Until April 13 Dance 84 Vienna represents a range of styles from traditional to New Wave. Performers include the Kirov Ballet and Orchestra, the Vienna State Opera Ballet, the Cullberg Ballet Company of Stockholm, the Stuttgart Ballet, and the Tanz-Forum of Cologne, as well as many others less well known such as the Changing Times Tap Dancing Company of New York. Booking: Vienna 57 96 32

Patrick Blum

Munich, Bayerische Staatsoper: There was much acclaim for Idomeneo with Peter Schreier in the title role. Die Fledermaus features Lucia Popp and Eberhard Wächter. It is *conducted by Carlos Kleiber. Don* Giovanni is worth a visit with Judith Beckmann, Julia Varady and John Janssen. Der Troubadour has fine interpretations by Rosalind Plowright and Ernesto Veronelli in the leading roles.

Music

PARIS

Orchestre Colonne conducted by Kurt Redel, Colonne Orchestra Choir conducted by Jean Sourisse: Haydn's Creation (Mon), Salle Pleyel (561 0630).

Glenn Gould, piano – projection on video screen of B. Monsaingon's film: Bach (Tue), Salle Pleyel (561 0630).

Ensemble Orchestra de Paris marks the 10th anniversary of Darius Milhaud's death: Milhaud, Liszt, Beethoven (Tue), Salle Gaveau (563 2030).

Wilhelmenia Fernandez, soprano: Classical music and Spirituals (6.30 pm Tue and Thur), Théâtre de la Ville (274 2277).

Nouvel Orchestre Philharmonique conducted by Zoltan Pesko: Rimsky-Korsakov – The Legend of the Invisible Town of Kitege (Wed), Théâtre des Champs Elysees (723 4777).

Orchestre de Paris conducted by Daniel Barenboim, Murray Perahia, piano: Schubert, Schumann, Ravel, Boulez (Wed, Thur), Salle Pleyel (561 0630).

Rudolf Firkusny, piano: Schubert, Schumann, Janacek, Martinu (Thur), Théâtre des Champs Elysées (723 4777).

Anne Queffelec, piano: Beethoven, Chopin (Thur), Salle Gaveau (563 2030).

Jean Estournet, violin, Martine Roche, harpsichord: Bach (Thur 12.30 am and 3 pm), Salle Chopin-Salle Pleyel (561 0630).

NEW YORK

New York Philharmonic (Avery Fisher Hall): Gunther Schuller conducting, Sol Greitzer violin. Stamitz, Schuller, Tchaikovsky (Tue); Rafael Kubelik conducting. All-Smetana programme (Thur); Lincoln Center (874 2424).

Boston Symphony (Carnegie Hall): Seiji Ozawa conducting, Maurizio Pollini piano. Mozart, Schoenberg, Strauss (Mon). (247 7459).

Guarneri String Quartet (Alice Tully Hall): Andre-Michel Schub piano. All-Franck programme (Wed, Thur). Lincoln Center (362 1911).

WASHINGTON

National Symphony (Concert Hall): Yehudi Menuhin conducting, Anton Kuerti piano. Elgar, Chopin, Tchaikovsky (Tue, Wed mat, Thur). Kennedy Center (254 3776).

CHICAGO

Chicago Symphony (Orchestra Hall): Leonard Slatkin conducting Radu Lupu piano. Ravel, Carter, Beethoven (Thur). (435 8122).

BRUSSELS

Ruggiero Ricci, violin, and Roger Vignoles, piano. Beethoven, Bach, Debussy, Ysaye and Saint Saens (Tue). Palais des Beaux Arts.

Rotterdam Philharmonic Orchestra conducted by Edo de Waart with Yuzuko Horigome, violin. Mozart, Piston and Mendelssohn. Palais des Beaux Arts (Thur).

ZURICH

Tonhalle: Tonhalle Orchestra conducted by Olivier Cuendet with Dawn Reinhart, trumpet. Mozart, Haydn, Francaix and Ravel (Wed); Trio di Milano. Haydn, Shostakovich and Dvorak (Thur).

PHILIPPINES

Manila: CCP Main Theatre: Philippine Philharmonic Orchestra and Philippine Madrigal Singers conducted by Francisco Feliciano. All-Tippett programme with the piano concerto conducted by the composer, soloist Carmencita Sipin-Aspiras. (Wed).

LONDON

London Philharmonic Orchestra conducted by Jesus Lopez-Cobos with Cho-Liang Nin, violin. Mendelssohn and Brahms (Tue). Royal Festival Hall (928 3191).

BBC Northern Singers conducted by Stephen Wilkinson with Keith Swallow, piano. Schumann, Vaughan Williams, Holst and others. Queen Elizabeth Hall (Tue). (928 3191).

Coull String Quartet: British String Quartet series. Purcell Room (928 3191). (Tue 6pm).

London Mozart Players conducted by Harry Blech with James Watson, trumpet and Claude Frank, piano. Mozart, Haydn and Beethoven. Royal Festival Hall (Wed).

Edward Heath conducts the London Concert Orchestra with Felix Schmidt, cello. Mozart, Tchaikovsky and Beethoven. Barbican Hall (Wed). (638 8891).

Theatre

LONDON

Little Shop of Horrors (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm, a full-blown performance from Ellen Greene and an exotically expanding man-eating prickly plant. (930 2578).

Sufficient Carbohydrate (Albery): Transfer after a sold-out season at Hampstead for Dennis Potter's *menopausal, over-symbolic but* truculently written comedy on a gleaming white Greek island set. Dinsdale Landen superb, yet again, as a garrulous drunk. (836 3878).

Tales From Hollywood (Olivier): Nearly the last chance to catch Christopher Hampton's witty scenario for Austrian emigrés in Hollywood between the wars. Michael Gambon is the playwright von Horvath, Ian McDiarmid a vulpine, cynical Brecht. Large-scale epic play, funny and thought-provoking on the subject of the artist in exile. (928 2252).

Hay Fever (Queen's): Penelope Keith is more 'right' for Judith Bliss than was either Edith Evans or Celia Johnson. She is very funny, winsomely autocratic, distracted. The supporting actors roll over without protest. (734 1166).

Pack of Lies (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (437 3686).

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143)

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592)

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888)

Saint Joan (Olivier): Staid and stolid National Theatre revival of a play that is finding it increasingly hard to live up to the tag of Shaw's masterpiece. Frances de la Tour is sincere and unrhetorical to a fault as the maid, and Ronald Eyre's direction includes medieval pageant, some striking music by Ilona Sekacz and, alas, a disastrous deputy inquisitor from Cyril Cusack. (928 2252)

See How They Run (Shaftesbury): The line is not, after all, "Arrest some of these vicars" (as Tom Stoppard thought) but "Arrest most of these people." Philip King's 1945 farce is one of the funniest plays in English, a veritable period classic, and Ray Cooney's revival is, on the whole, splendid. A village prude sips too much sherry and finds the stage awash with clergymen, some of them genuine. The farceurs include Maureen Lipman, Derek Nimmo, Michael Denison, Christopher Timothy. (930 8577)

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262)

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaîté Parisienne, but the intimate moments borrowed direct from the film. (757 2626)

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020)

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450)

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200)

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscences now that the Nederlander organization has generously decided to name the theatre after the generation's outstanding box office draw. (757 8646)

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200)

Carmen (Vivian Beaumont): Peter Brook has done an excellent job in transforming this Lincoln Center landmark into a spruced-up version of his grubbier Paris Bouffe du Nord home for a fast-paced, stripped-down seven-performer, but wholly *engrossing version of Bizet.* (874 6770).

Noises Off (Brooks Atkinson): Dorothy London brings Michael Frayn's backstage slapstick farce to Broadway in Michael Blakemore's production that includes Brian Murray, Paxton Whitehead and Victor Garber as her backstage conspirators. (245 3430).

The Real Thing (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intelligentsia, with a new-found attention to the heart that beats beneath the veneer, arrived on Broadway in a cast headed by Jeremy Irons and Glenn Close, directed at a fast clip by Mike Nichols. (239 6200).

CHICAGO

E. R. (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000)

WASHINGTON

Beyond Therapy (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personals column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300)

The School for Scandal (Folger): With Dawn Spare as Lady Teazle and Lilene Mansell as Lady Sneerwell, Sheridan's "delicacy of hint and mellowness of sneer" comes to give inspiration close to the nation's capital in a production directed by Allen R. Belknap (546 4000).

Exhibitions

LONDON

Royal Academy: The Genius of Venice – we are treated to a show in the grand old manner of the Royal Academy's Winter Exhibitions. It treats us exclusively to the painting and, to a lesser extent, the sculpture, that Venice produced in the 16th century. If Bellini and Carpaccio are honoured more by their absence, since the panels now are just too fragile to travel (although the Lion of St Mark's is Carpaccio's), there is so much that has been brought in from all over the world that compensation is hardly the word. So, from the shadowy, speculative presence of Giorgione in the *beginning, to the* emotional extravagance of Tintoretto filling the lecture room at the end, and in between the great spaces of the Academy filled with Titian, Veronese, Bassano, Lotto, et al., we are indulged in a way unlikely ever to be repeated in our time, if at all. Ends March 11.

Liberty of Regent Street: Four Rooms: an *unusual setting* but an unusual and fascinating exhibition, which makes great sense where it is. The Arts Council invited four British artists – Anthony Caro, Howard Hodgkin, Richard Hamilton and Marc Chaimowicz – each to design a room – the only practical limitation being the knowledge that the exhibition was to go on tour – with everything made to the artists' particular requirements. The results are as different as we would expect – a kind of operating theatre or waiting room from Hamilton, impersonally threatening; a richly comfortable, colourful sitting-room from Hodgkin; a cooler though no less ambiguous apartment interior from Chaimowicz and from Caro an authentic sculpture that is yet a Child's Tower Room, off centre, rising on a spiral as it closes in on itself, complex, inviting and beautifully made. Ends March 10.

PARIS

Galerie de Jonckheere celebrates its extension from Brussels to Paris by showing four paintings by Peter Bruegel the Younger and 30 landscapes by his contemporaries, full of the colour, verve and earthy joie de vivre associated with Dutch and Flemish 15th and 16th century art. 21, *Quai* Voltaire. Closed Sun. Ends *March 17 (261 3879).*

Enfants du Passé: Toys from the 17th century to the beginning of the 20th. Miniature silver tea-sets, small musical instruments, furniture fashioned by master craftsmen, Napoleon's son's rattle. All exude the special charm associated with childhood. Le Louvre des Antiquaires, 2 Place Palais Royal, 11 am–7 pm. Closed Mon. Ends March 18 (297 2700).

William Bouguereau: An exhibition which continues the present rehabilitation of academic art of the second half of the 19th century. Petit Palais. Closed Mon. Ends May 6 (265 1273).

Camille Claudel: 70 sculptures accompanied by paintings, drawings and engravings prove the individuality of Rodin's pupil who, through her realism and, later on, a sense of the theatrical, *found her own way.* Musée Rodin. Closed Tue. Ends June 11 (705 0134).

Amsterdam art weeks

Tableau, a Dutch arts magazine, is organizing a series of exhibitions and sales in Amsterdam throughout March. Works by 17th century Dutch masters can be viewed at Rokin 78-80 to March 15. Nearby, at Rokin 46 and 116, works by artists from the Middelburg School of the 17th century are on show. An exhibition of old art and antiques takes place in the Nieuwe Kerk (New Church) off Dam Square, to March 11, while in the Marriot Hotel from March 15-18 antique books and prints will be displayed. In the final week of March the same Rokin/ Dam Square are will be devoted to modern artists.

Walter Ellis

Pierre Bonnard: an important retrospective of the painter whose canvases filled with colour and light glorify the beauty of the human body as he painted time and again Marthe, his wife, at her toilet, in her bath. His Mediterranean landscapes radiate the same joyous love of nature. Centre Georges Pompidou (278 7995). Closed Tue. Ends May 21.

NEW YORK

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Metropolitan: Rembrandt, Vermeer, *Hals, van Ruisdael* and Steel are among the 17th century masterpieces from the Royal Mauritshuis Picture Gallery in The Hague taking up temporary residence in commemoration of 200 years of Dutch-American diplomatic relations. Ends April 15.

International Center of Photography: David Bailey black and white photos of swinging Britain in the 1960s include the faces of that time such as Jean Shrimpton, Mick Jagger and David Hockney. Ends April 1.

WASHINGTON

National Gallery: Thanks to its popularity, the Aztec show of artifacts from the Spanish conquest to the 1978 excavation of Tenochtitlan – the largest show of its kind ever in America – will extend its run to spring. Ends April 1.

CHICAGO

Museum of Contemporary Art: With the assertion: "The arts in West Germany today are dynamic and strong, and constitute one of the most important sources for contemporary art trends in Europe and America," this recent Chicago institution is putting on three German shows, of artists Rebecca Horn, Dieter Roth and 100 works of five neo-*Expressionists. Ends April 1.*

WEST GERMANY

Tübingen, Kunsthalle: Edgar Degas. The most comprehensive Degas exhibition ever shown in the Federal Republic. More than 200 drawings, pastels and oil sketches document all periods of the French impressionist's oeuvre. Ends March 25.

Bielefeld, Kunsthalle, 5A, Ladebockstrasse: A Picasso exhibition focusing on the artist's depiction of death.

All-American duos from "The Right Stuff": played by, from left, Kathy Baker and Scott Glenn, Mary Jo Deschanel and Ed Harris, Pamela Reed and Dennis Quaid and Veronica Cartwright and Fred Ward

Cinema/Nigel Andrews

Frontiersmen of the skies

The Right Stuff, directed by Philip Kaufman

Champions, directed by John Irvin

Christine, directed by John Carpenter

Over the Brooklyn Bridge, directed by Menahem Golan

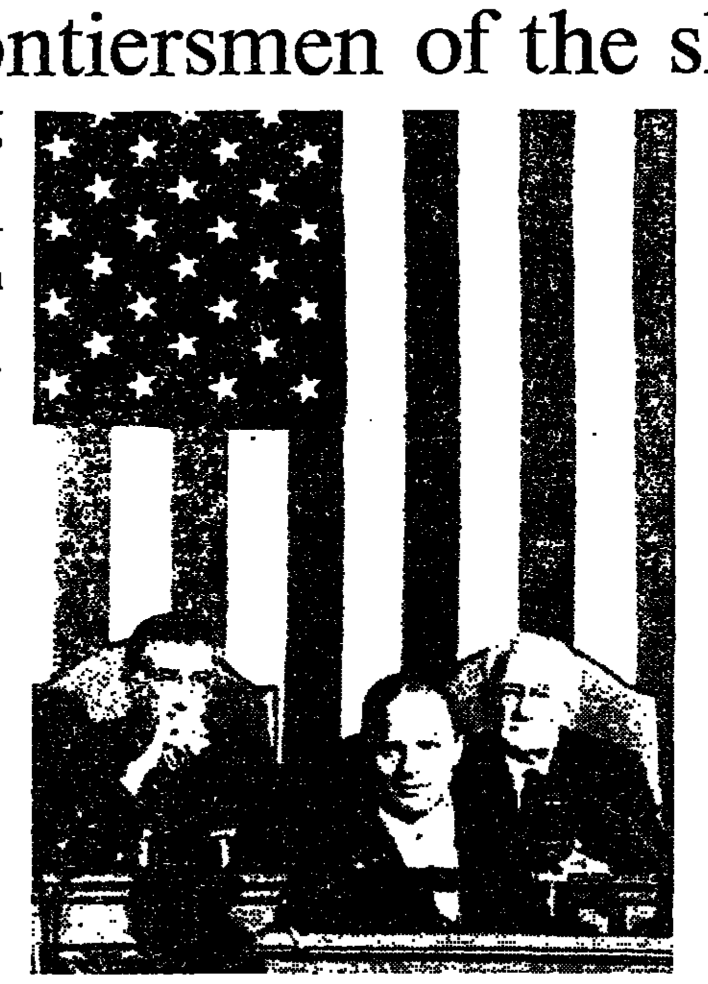
Carmen, directed by Carlos Saura

A myth re-born can be as exciting as a myth new-born. *The Right Stuff* is the film version of Tom Wolfe's humming and humanising book about America's postwar speed-and-flight heroes; from test pilot Chuck Yeager who broke the sound barrier in 1947 to the seven pioneer astronauts who put America into orbit in the 1960s. Wolfe turned these men from the media products we knew—a group of clean-cut androids programmed with Nasa gobbledegook and Washington pieties — into tough, quirky and differentiated loners, extensions of the frontiersmen of old.

Philip Kaufman's film finds a visual language to do the same. "He sure is pushing the outside of the envelope" burble the wonderstruck watchers as Yeager (played by playwright-actor Sam Shepard) streaks through the firmament over the Texas desert, and the cacti quiver to another "Mach" being broken as they quivered of old to cattle stampedes or Indian chases.

Shepard's wonderful lean quietude, his bird-like handsomeness and eyes of fathomless thought, undoubtedly romanticise Yeager. But this is the mythic forge the whole movie needs. It spreads a forward glow into the Space chapters and turns the madcap scientism of the Nasa preparation scenes into much more than just a knockabout Western-with-hardware. And the broken-down desert cafe of Act 1 where the test-pilots soon to be astronauts cluster — Grissom, Cooper, Shepard *et al,* plus Yeager — and which is run by Kim Stanley's resplendent "Pancho," a raddled old bat with a beret, is in the classic tradition of outpost soak-palaces: from the saloons of *Stagecoach* to the flyers' bar of *Only Angels Have Wings.*

Once it quits the desert, the film flies up and divides. One half becomes a lively but brittle spoof set in the backstage of U.S. politics, with hickory red-baiter LBJ (Donald Moffat) spearheading the Space race propaganda: "Ah fer one don't 'ntend to sleep bah a communist moon!" The other half gives us the human and meta-human growth of the astronauts. Scott Glenn's macho, sardonic Shepard; Fred Ward's Grissom, with his Bronson mug and sulky humour; Dennis Quaid's waggish Cooper with his sly, ear-to-ear grin; and Ed Harris as John Glenn, a-gleam with cropheaded American piety.



Ed Harris (centre) as John Glenn addressing the House of Representatives in "The Right Stuff"

These all-sorts tyros rise on steping stones of NASA trial and indignity—from sperm tests to enemas to giddying gyurations — to scale infinity in climatic Space - journey sequences that are dazzling for their very simplicity.

Glenn's orbit is especially magical; interrupted at one moment by a sea of fire sparks seemingly blown up by the Aborigine fires in Australia below, where Cooper is monitoring his flight from an outback space base.

There are some hiccups and sillinesses in the film. Need Kaufman really have turned Werner Von Braun into a vaudeville act, a scientific Sig Rumann surrounded by *dummkopf* Germans? And though Russian rivalry was indeed a spur to the 1960s U.S. Space spurt, it wasn't—as the film *suggests,* with frantic flunkeys constantly clattering down the White House corridors with news of the latest Soviet triumph—the *only* motive. In short, there's a lot of wrong stuff in *The Right Stuff.* But what's right and survives is taut, timeless and tremendous

★

Champions, by contrast, is earthbound tosh. Resembling Fred Zinnemann's *The Men* as reinterpreted by Sylvie Krin, it dramatises the true-life tale of jockey Bob Champion, who contracted cancer, conquered it and came back to win the Grand National. The year was 1980, the horse was Aldaniti, and there wasn't a dry betting card in the race-course.

I bow before John Hurt's courage and versatility. Here again, fresh (almost) from *The Elephant Man,* he allows himself to be made up to resemble an unpleasant accident in a safari park. During chemotherapy, he loses his hair and eyebrows, sports cadaverous features and speaks with a hoarse hiss. Before and after treatment, when he is supposed to be healthy, he looks even worse: with plucked and pencilled eyebrows, waxen complexion and too much rouge. Did they do things the wrong way round, wrecking Hurt's features first and then trying desperately to gloss over the damage?

John Irvin directs with the same hollow-drum earnestness he brought to *The Dogs of War and Ghost Story. The talented* supporting stars — Edward Woodward as Josh Gifford, Ben Johnson as Burly Cocks, Alison Steadman as Champion's sister —come and go, required to do almost nothing but hurl heigh-ho's of encouragement at our hero or else give a discreet wobble to their stiff upper lips when tragedy looms. And Carl Davi's score is an extraordinary composition for solo schmaltz, piano-ing furiously away whenever a horse pounds across the skyline in lyric slow motion. The pity of it is that Champions own comeback story *is* inspiring, *it* is courageous, it is moving. Above all it is true. But you don't feel the force of any of these attributes in this unconvincing essay in sentimentality on horseback.

★

The title heroine of *Christine* comes back from the dead even more boldly, and far more often, than jockey Champion. She is a 1957 Plymouth Fury, bright red with white lightning-stripes along each flank. She erupts into the ownership of auto-besotted teenager Keith Gordon and soon proves to have a life *of her own. She snaps her bon*net down on incautious hands, poisons intruders with carbon monoxide and magically renews herself after every accident.

This movie make-over of a Stephen King chiller is adroit, stylish and empty-headed. Director John Carpenter, here as in *Halloween* and *The Thing,* achieves creepy-crawly effects by a ceaselessly prowling camera. He knows it's best to stay on the move and so does the audience. A moment's thought might topple the whole intricate card-house of coincidence, contrivance and spookiness. But the card-house says just about intact, and the special effects are outstanding.

★

Over The Brooklyn Bridge has a supporting cast to marvel at—Sid Caesar, Shelley Winters, Burt Young and Carol Kane—all running like scalded cats around the black-mopped, drop-jawed centre of Elliott Gould's Jewish cafe-owner. Gould wants to buy a smart Manhattan restaurant and marry his gentile girlfriend Margaux Hemingway. But this is a combination of actions his rich uncle Sid Caesar cannot see any virtue in, since if he weds the non-Jewish Miss H he (Caesar) will personally scream the place down and refuse to lend him a cent to buy his restaurant. So what will Gould sacrific—true love or true ambition?

True film-making, alas, is left for dead early on; as director Menahem Golan whips up a tragical-comical tutti-frutti only relieved by Caesar's spry work with eyebrows and dimples and the immortal Big Mama whimperings of Winters.

★

Carlos Saura's *Carmen* is a modern-dress love story set in and around rehearsals for a flamenco ballet version of Bizet's opera. Antonio Gades is the heel-stomping, finger-clicking star as he was of Saura's *Blood Wedding,* and Laura del Sol is Carmen, swept up in Hispanic passion with him both on stage and off. Flamenco lovers should love it. Film lovers may find it, even at an unexceptional 98 minutes, a somewhat long evening in over-excitable company.

Liliana *(Night Porter)* Cavani offers no food for hungry filmgoers either in *Beyond The Door.* The cast and conception have a gamy promise—love, sex and mystery in North Africa, with Marcello Mastroianni, Tom Berenger and Eleonora Giorgi—but the final meal is tepid and savourless.

North/Cockpit

B. A. Young

North is, of course, Northern Ireland, almost the only topic Seamus Finnegan writes about. It is not so much a play as a debate. Its numerous short scenes, each ending with a dramatic curtain-line, follow three stories linked only by the thought-patterns that emerge from them. First, we see a Roman Catholic bishop dealing with a priest who has been writing an apparently subversive column in the local paper. Next, we meet two IRA terrorists sent down to safety in the Republic; and after them, two Belfast Protestants who come to England in search of work.

As a kind of commentary, we overhear the talk at a Labour MPs' party, where a variety of attitudes is expressed. What is so fascinating is that the culminating attitude, which we have also gathered from the other stories, is unlike anything commonly voiced among the Belfast Catholics, or the Protestants, or Members of any party. The Bishop concludes that Father Quinn's views are acceptable. The IRA man arrested by the Gard a escapes from the nick and hurries back to friendly old Belfast, to be arrested by the right lot. The Belfast loyalist who has had the misfortune to kill his foreman for calling him "Paddy" is safely gathered in by the British Police.

The philosophy distilled from these little tales is this: besides the Protestant and Catholic faiths, there is a historic feeling descended from the old pagan beliefs of the Irish, that gives every Irishman a pride in his descent and his nation,

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Canada after Trudeau

MR PIERRE TRUDEAU has given Canadians an opportunity to redefine their country's position in the world as well as some of its intended policies. The changes consequent upon his decision to relinquish the prime ministership could be as notable as those that followed his accession to power in 1968.

But before considering what changes may or should come about, it is essential to realise how narrow is the scope available to policy makers in Canada. The facts of history and of geography will not change for a new prime minister or ruling party.

Cultural heritage

First of all there is the very size and diversity of the country. Only 25 million people live in the world's second largest state by area. The distance from the western to the eastern extremity of Canada is greater than that from Newfoundland to Ireland.

One quarter of the population is French Canadian and jealous of its special character. Immigrants from Germany, Italy or the Scandinavian countries have adopted the English language, but often stick to their cultural heritage. Canadian polyculturalism, as it is called, is the very opposite of the "melting pot" of the U.S. The unity of Canada must at all times be considered if the country is not to break up.

Mineral wealth, including ample supplies of hydrocarbons, and a relatively small (though not backward) manufacturing sector place Canada among a group of countries, including also Australia, with partly colonial economies. Foreign capital is essential to their development.

The fear of being colonised is a recurrent motif in Canadian history to our own day. It is aggravated by the proximity of the U.S., the "elephant" with which, in Mr Trudeau's phrase, Canadians share the North American bed. Fear of being swamped by foreign capital is deeply ingrained except in the thinly populated West. With their resource-based economy, westerners are more inclined to see the U.S. as market and friend than do central Canadians with their manufacturing industries.

For more than a century, Canadian economic policy has swung between continentalism and nationalism. At present nationalism is out of favour in reaction against the excesses of the Trudeau Government's national energy programme with its attempt to reduce foreign ownership of the oil industry.

In the current phase much thought is going into the possibility of sectoral free trade with the U.S. along the lines of the existing pact in automotive goods. Such deals are likely to prove elusive, given the determination of each side to choose areas where it stands to gain the most. It would be more constructive to give comparative advantage freer rein by seeking to end the competitive bidding of Canadian provinces and U.S. states for foreign investment.

There is a case, too, for giving comparative advantage rather than legislative and administrative fiat a greater role in determining the balance between resource and manufacturing industries. Successive Trudeau Governments have burnt their fingers badly with the attempt to keep the oil price below world level in the interests of domestic and industrial consumers. That attempt not only caused economic distortions: it also alienated the energy-rich western provinces.

Outside forces

Nationalist measures of that sort were often justified on the grounds of Canadian vulnerability to outside forces. Yet one cannot help feeling that diffidence can be overdone.

Is it, for instance, necessary to shelter the powerful Canadian banks from the competition of foreign bank affiliates quite as much as is done by the current Bank Act? Is it necessary to have niggling restrictions on the non-Canadian content of Canadian radio and television?

Nationalism usually has more than a tinge of the parochial. Canada is successful enough and has shown sufficient powers of survival not to have to adopt so inward-looking an attitude.

A budget for employment

WITHIN THE last few days the Treasury should have delivered the economic forecast known as the "Budget judgement." It is probably a little more satisfactory than the Chancellor hoped as recently as last November. The official forecast of 3 per cent real growth this year looks fairly secure now, as the consensus has edged up towards it. An unforecast surge in revenue, especially from the North Sea, should keep public borrowing comfortably within the revised November forecast of £10bn. The inflation rate and the growth of labour costs are still too high for comfort, which may inspire caution. But the major blot is the high and still rising level of unemployment.

Fine tuning

The case for a stimulus is quite seductive. Studies by a number of economists, including the detached observers at the OECD, confirm what commonsense suggests—that when the economy is slack, a stimulus works more on real output and less on prices than in tighter conditions. Indeed, the OECD concludes that despite the higher rate of background inflation a stimulus now would be less inflationary than it would have been twenty years ago.

However, if the trade-offs are more favourable for stimulus, they also reduce the possible risks of under-stimulation. Nominal demand is already growing at more than 8 per cent annually, and it can be hoped that this will come through increasingly as real growth. Much more important, a return to fine tuning would only revive the notion that the Chancellor is responsible for our whole economic performance, and put at risk the realism that has been so painfully learned in the last five years.

There is also a strong structural argument for caution. An IFS study published this week shows that if oil is regarded as national capital, we are living on capital to a dangerous extent. This is an oblique reminder that oil revenues will soon be levelling out or falling. A last oil-financed binge would produce a grim morning after.

We continue, then, to support the Government's medium-term strategy, aimed at a gradual return to financial stability while allowing room for recovery. The revised output statistics confirm that it has been working better than we supposed at the time for nearly three years now. Industrial surveys suggest that performance is improving further—a judgment strongly backed in the securities market. If the macroeconomic judgment were the whole story, the Chancellor might make the briefest speech on record.

However, this is not the whole story, as the Chancellor is well aware. Taxes are not just a way of financing public expenditure; they provide a framework of economic incentives, and at present a highly distorted one. He has already started to tackle some of the distortions in the financial markets.

Yet this is a side issue compared with the distortion in the market for the factors of production. Over the past two decades we have established a system which taxes employment and subsidises capital investment. Our employment taxes are lighter than those on Continental Europe, but the investment subsidies, put at over £10bn in lost revenue in the public spending White Paper, are heavier. The result, on both sides of the channel, has been to encourage the substitution of capital for labour. Recovery in the U.S. has created jobs; in Europe it has not, and the prospect remains grim.

Enormous effects

The long-term rise in unemployment, indeed, has been virtually uninterrupted since heavy investment incentives were introduced by the Wilson Government in the late 1960s. The change has not helped growth, evidently, nor profits—the system simply delivers a historically normal return on the funds provided by companies, and a nil return on those raised from the taxpayer. But it has accelerated the substitution of labour for capital—already favoured by technology—and burdened the state with an enormous welfare bill.

This is the challenge Mr Lawson should address in ten days. The abolition of the national insurance surcharge would be an act of more symbolic than fiscal importance; but a reform of corporate taxation as a whole, reducing distortions and passing back the savings in a lower rate of corporation tax, would have enormous long-run effects. A neutral budget could the contain a strong message of hope for the unemployed—and for the taxpayers who support them.

SLEIPNER AND EUROPE'S GAS SUPPLIES

The Russians hold the ring

By Ian Hargreaves

BRITISH GAS, which has just completed two years of negotiations to purchase about £20bn of Sleipner field gas from Statoil of Norway over a 30-year period, can be forgiven for feeling sore that approval for the deal has been blocked in Whitehall.

To the gas corporation, it must seem close to perverse for a government which has been briefed fully throughout the talks to hesitate at the last moment.

There are a number of parochial explanations for the heated Whitehall debate now in train. But the fundamental one is that the European gas market is in the midst of change so rapid and far-reaching that civil servants and politicians are still taking stock of the implications. As they do so, it is clear that the British Government's verdict on Sleipner has itself become a crucial factor in the reshaping of Europe's gas trade.

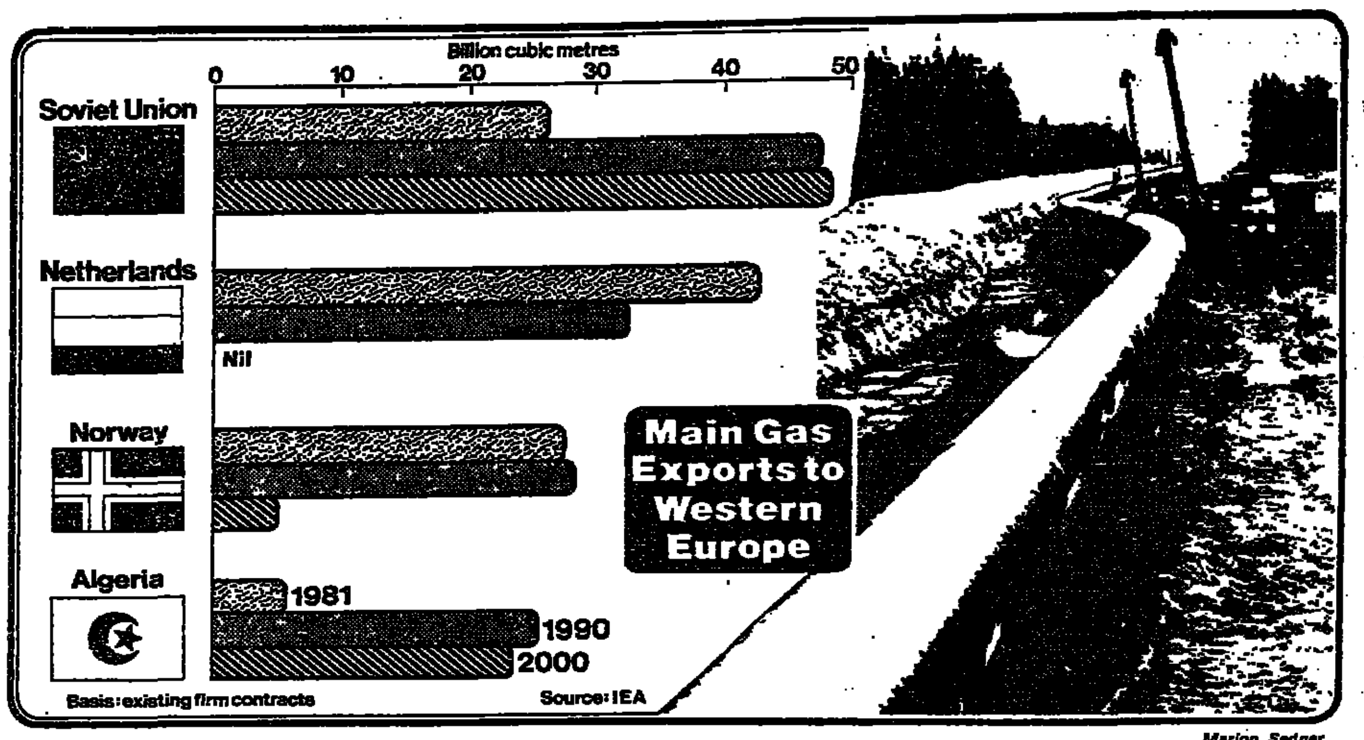
The backcloth to the shifting scene is falling demand. Western Europe's gas consumption fell by 8.5 per cent between 1979 and 1982, in line with falling energy demand, recovering by slightly less than 2 per cent last year.

The main reason for this was the recession, coupled with the fact that rising long-term gas contract prices have in the past three years pushed the average price of European gas close to or above the price of low-sulphur fuel oil, thus thus pricing gas out of the European electricity generation market. Between 1979 and 1982, gas sales to power stations fell by 38 per cent, compared with a 15 per cent drop in sales to industry and 8 per cent growth in publicly distributed gas.

This drop in demand came at a time when the largest gas producer in the world, the Soviet Union, which has 40 per cent of world reserves, embarked upon an aggressive export drive, precipitating in the process a major rift within Nato as the U.S. argued that its European allies were paying too high a political price for their Soviet gas supplies.

The Soviet motive was plain enough: 80 per cent of its hard currency comes from energy exports and oil production has reached a plateau. The Soviet Union currently supplies about 14 per cent of Western Europe's gas, but it could reach 30 per cent by the end of the century. Austria already takes almost 80 per cent of its gas from the Russians. Germany, France and Italy are other large customers.

Also last year, the Netherlands, West Europe's largest gas producer, decided that following re-assessment of its reserves, it could ease its budgetary problems by seeking new export contracts—a reversal of its previous gas depletion policy. The two other major suppliers to West Europe, Norway and Algeria, also found themselves hungry for business at the same time. (Together, the big four exporters account for 95 per cent of the gas traded in West Europe.)



Marion Sedger

Algeria, which has tried to force customers to pay a gas price equivalent to that of crude oil and lost its glutted American markets as a result, did succeed in getting the French and Italian governments to subsidise Algerian imports, presumably on political grounds. Algerian prices have consistently led the field, with one 1980 U.S. contract over $6 per million BTU and $5.1 in the French deal, backdated to 1980. Sleipner gas is believed to be priced at between $4 and $4.20 per million BTU.

Algeria, as an Opec gas producer, has an intractable problem. According to a recent Economist Intelligence Unit report, it costs an average of $5.25 per million BTU to ship liquefied natural gas (LNG) from Opec countries, compared with a going weighted average gas price in Europe of about $4 per million BTU, or 27p a therm. So, for the foreseeable future, LNG is not a viable commercial proposition in the European market, which means that the 27 per cent of gas reserves in the Middle East, where large amounts of gas are still being flared, remain for European purposes locked in.

Although Algeria, whose LNG processing facilities are operating at under half capacity, has improved its position by the trans-Med pipeline to Italy, projects like the famous Nigerian Bonny LNG scheme, in which Shell is involved, lok very fragile.

The result is that there are more sellers than buyers of gas in Europe at present. Of the four largest importers only the UK has a short-term need for additional supplies.

Demand projections, although hazardous for a fuel with such a high potential for substitution as gas in its industrial and power generation markets, suggest at best modest growth. Even Shell's high growth demand scenario implies excess supply throughout the 1980s, although a significant deficit could open up in the 1990s.

For the main protagonists in the Sleipner drama, these background facts offer wide scope for interpretation.

The Norwegian Government takes the view, encouraged to some degree by Washington, that as a politically reliable supplier, its gas, which is expensive to produce, should attract a premium. The Norwegians also have budgetary pressures to sell more gas.

British Gas believes there will be a serious supply gap in the late 1980s and 1990s if action is not taken now

In Britain there are three distinct voices: those of British Gas, the oil companies and the Government itself.

British Gas's argument is that it faces a serious supply gap in the late 1980s and 1990s, amounting to 2,000m cu ft a day (mcfd) in 1990 and 3,000 mcfd by 1995. This is against total current demand of about 5,000 mcfd.

It claims that Sleipner will do no more in the 1990s than supplies from Norway's Frigg field did in the 1980s — supply between 25 and 30 per cent of total requirements.

The oil companies have long argued that British Gas's import cushion, combined with a virtual monopoly purchasing position from the UK continental shelf, has enabled it to hold prices paid for UK gas well below the international level. Although prices contracted for UK gas have risen recently to the 23p to 24p a therm range, this still compares unfavourably with the approximately 30p involved in Sleipner.

From British Gas's point of view, it is no more than good business sense to use its bargaining power to hold down prices for 75 per cent of its supplies from UK waters by means of a judiciously timed, if more expensive foreign contract. Its overall aim is to hold down the average cost of its supplies—11.6p a therm in 1982, or almost 15p counting the Government's gas levy—in order to keep prices to consumers as low as possible and meet the increasingly strong competition of electricity, the real price of which has fallen sharply in the past two years and looks set to continue along that trend.

The oil companies, however, say that British Gas's import manoeuvres and low domestic supply prices have sapped the initiative to find and develop the UK's North Sea Gas. Wildcat drilling almost came to a halt in the late 1970s, although recently it has returned to late 1960s levels.

Conoco recently claimed that all of British Gas's needs to the year 2000 could be met from the North Sea's southern basin alone, if international prices were paid.

For the Government, the oil companies' case is seductive. More UK production means more tax revenue, just at a time when revenues from oil are about to plunge. Extra UK production would also put more work in UK offshore fabrication yards.

The Department of Energy is taking a more cautious line. It, like British Gas, is wary of vague oil company claims about potential UK supplies and has been pressing the oil majors to come up with firmer supply commitments. Its instinct is that from a security point of view, imports are needed, although it questions whether Sleipner might be too large, especially if British Gas's rising demand projection proves too optimistic.

This is the origin of the idea which has now arisen in Whitehall of either asking British Gas to renegotiate with Statoil for only part of Sleipner, which may be impossible, or to switch to a smaller contract of only 500 mcfd (less than half the Sleipner level) with the Netherlands.

Such a move would also connect Britain by pipeline to the continental gas grid for the first time. That could eventually mean Soviet and Algerian gas coming to Britain and, if the Government reverses its ban on exports of UK gas, a flow in the opposite direction too. This would, in theory at least, liberalise the UK gas market and allow prices to find their natural international level.

British Gas strongly opposes such a move for obvious reasons and the Department of Energy seems to share its concern that, in the absence of self-sufficiency, to export gas would be prodigal.

For the other players in the European gas game, the British decision on Sleipner is therefore of great importance.

For Norway, says Mr Oystein Noreng, director of the Oslo Institute of Energy, a Britain connected to the continental gas grid would be bad news, because it would prevent Statoil playing one customer against another. "Maybe Norway should build a pipeline across the Channel just in order to make sure it's not used," he says.

For the Dutch, the British decision represents a chance to enter a major new market, although it may find the returns less attractive than on its French and German deals at a time when the government is under fierce parliamentary pressure for higher export prices.

But the key to the future of the European gas market lies in the Soviet Union. So reading the gas market is likely to become increasingly a branch of the art of Kremlinology.

As Dutch reserves decline and Norway's become more expensive to extract, the Russians will possess the power to set the price of gas in Europe and, as a steady flow of U.S. pamphlets continues to assert, to exert leverage on Europe if they want to.

Mr Jonathan Stern, a Chatham House gas expert and author of a new look on gas trade* argues that the Soviet Union has been a fairly reliable supplier of both gas and oil to the West and that there is no evidence to imply political leverage outside the context of a military confrontation. The Russians, he says, need the money. "There is as yet no evidence of a geopolitical element in Soviet gas export policy."

There is also doubt as to whether a trade based on 20 to 30 year contracts could be manipulated in Opec style, although some observers think the Russians' aim its to create a spot market in gas, as exists in oil.

Whether the Soviet Union can best maximise its earnings by undercutting Algeria and Norway and building up market share—a move which would probably be resisted politically—rather than by following the price leadership of others at more modest volumes is the crucial calculation. So far, it has chosen the latter course.

It is ironic, however, that the strategic argument about Soviet gas should have re-emerged in the context of the possible connection of the UK to the gas grid, since both the International Energy Agency, when it studied European gas security last year, and the European Commission, have seen a Channel pipeline as an important addition to the infrastructure of dealing with a supply crisis.

The Americans probably share that view, but are unhappy about the prospect of Britain becoming a potentially major Soviet gas customer and a possible factor in discouraging Norwegian gas development. Mr Peter Walker, the Energy Secretary, will no doubt be reminded of these points when he visits Washington next week.

Of course, it may well be that the Sleipner deal will go through, possibly with a quid pro quo lifting the UK export ban. Whichever way it goes, the European gas market will not be the same again.

Additional research by Francis Ghiles.

** International Gas Trade in Europe. Heinemann Educational. £16.50. J. Stern (British Institutes' Joint Energy Programme).*

Men and Matters

Hospital beds for investors

The Business Expansion Scheme—which provides tax relief on equity investments in unquoted companies—is attracting a lot of attention from highly-paid individuals anxious to escape the demands of the Inland Revenue.

And with shares having to be bought before April 5 to qualify for relief this year, an increasing number of companies and their advisers have spotted a chance which is too good to miss.

Latest into the ring is Gisburne Park plc, a Grade 1 listed country house in the Pennines which is to be turned into a rehabilitation centre and private hospital if the necessary £1.4m can be raised.

Rehabilitation is the latest medical buzz-word—the attraction for the investor, perhaps, being that the average stay for patients under that category is around 30 days compared with about five days for general surgical and medical patients. Gisburne's charges would be over £100 a day.

Banque Paribas, stockbrokers Henderson Crosthwaite, and the Colegrave Group all like the look of the projections—but with only some 35 days "sheltering" left, there is hot competition for investors' money.

And any budding investor contemplating a few days' cut-price personal rehabilitation in the elegant Gisburne surroundings should also be warned that sharehodlers' perks are ruled out under the scheme.

Ad hoc

Apart from the odd by-election like Chesterfield, the Tories' superiority over Labour in the political propaganda stakes is a widely acknowledge fact of our times. But it was not always so.

Back in 1952, the Conservative conference at Scarborough passed a resolution declaring that the party's publicity was "greatly inferior to that of the Labour Party."

It recommended that the party should "employ a reputable firm of advertising agents in place of the Central Office publicity department. (Was Saatchi and Saatchi what it had in mind?)

The episode clearly rankled with the unfortunate staff of the publicity department. Three years later, after the Tory general election victory of 1955, Chapman Walker, then the party's publicity chief, wrote a private note to Labour's general secretary, Morgan Phillips.

"Dear Phillips," he wrote, "I think you may be able to have a lot of fun with some of your people concerning the below-mentioned resolution" — then, reproducing the critical motion, he added: "I hope you would do the same for me."

Neither politics nor publicity are like that any more.

"What you need is a few weeks on Bread and UHT milk"

Undercover row

When Janet Reger's women's underwear business collapsed last year with debts of £1m, Berlei (UK) stepped in and bought both trademark and name from the receiver.

Berlei set to work to market co-ordinated ladies' fashion undies under the Reger name, while aiming for a less expensive market than Mrs Reger had catered for.

Meanwhile, she opened a glamorous underwear shop in fashionable Knightsbridge, London, "concentrating on the upper price level" and selling under the label Beauchamp Collection.

Everyone seemed happy with the new arrangements: and customers were being offered a wider choice of price and style than before.

But now Mrs Reger has had second thoughts. She does not feel, she explains, that Berlei has rescued the Janet Reger trademark for lovers of the sort of lingerie she has sold in the past. Furthermore, purchase of the trade mark was against her wishes as she was on the point of buying it herself.

What concerns her most of all, she says, is that now she has no control over the manufacture and quality of the Reger range.

Berlei is unruffled. The company took new Reger collections to the U.S. recently and won $1m worth of orders. Next week another sales team is off to tie up deals with Neiman Marcus, Saks, Fifth Avenue, and I. Magnum on the west coast.

Staff in its South Wales factories has been increased to nearly 500 to cope with extra business.

Bryn Harries, managing director says, "We are able to reach a wider market using the Janet Reger designs and we are offering quality at very good prices."

But what about Mrs Reger's new complaints? Harries says, "We have no argument with Janet. We think she is a super woman."

Ferreted out

One of the biggest of the North Sea oil platforms in the deepest water had an intractable problem, New Scientist relates.

It was necessary to link the underwater well-head to the platform above by an electric cable. The two were already connected by a pipe. But none of the experts could find a way of coaxing a cable through the pipe.

A ferret handler was called in and he arrived from Scotland with two ferrets and a dead rabbit. The rabbit was blown through the pipework by means of a compressor. Then the ferret was allowed after it, wearing a harness and pulling a thin line.

The ferret followed the trail of the rabbit to the seabed and back and the cable was pulled through after it.

Missing link

I hope the expectations of that perceptive group, the European Financial Analysts, are fulfilled at their Congress in Madrid later this year.

The event's preliminary programme says of the final lecture due on October 19: "There can be no doubt as to the topicality and general interest of this final talk . . . by one of today's leading personalities in world finance.

"We are, indeed, lucky to have him with us. His many insights will prove both stimulating and provocative."

Above this piece of analytical foresight is the message: "Speaker to be confirmed."

Half measure

The house journal of the Semiconductor Equipment Materials Institute—trade association of the U.S. microchip equipment industry — is entitled, with touching candour, "Semi News."

Observer

Richard Lambert interviews Robin Leigh-Pemberton, Governor of the Bank of England

The City and the future

WHAT IS the Bank of England's position on the forthcoming changes in the City of London?

The Bank has one or two basic principles we would wish to follow in the changes affecting the securities industry. We must have a liquid and efficient market, and one in which the protection for the investor—above all, the small investor—is more than adequate.

Given the acceptance of these basic principles, I think the Bank regards it very much as a matter for the market and for the practitioners to work out for themselves just what the structure is going to be.

The role of the Bank is not to take a lead or to be a regulator in this. We are not a regulator in the securities industry. I hope that we can create a climate in which these firms can work out a future which they see as most appropriate for their own resources.

Do you think that the end of negotiated commissions will also mark the end of the present trading system?

I don't know that I would put it that way. Everybody has recognised that the end of fixed commissions is going to have a considerable effect on the working of the market in securities. In some respects your question *is* well answered by a comment of Mr Volcker, chairman of the Federal Reserve Board, in evidence before a Congress committee not long ago, when he said that the markets *do* not wait for kings, congressmen, or even elections. I think that the markets, seeing what is going to happen in the autumn of 1985, will very understandably make adjustments between now and then.

Can the authorities control the pace of change?

I believe so. We are very close to the Stock Exchange on this. If we were to see any developments that we thought were likely to be destabilising, I am sure we would want to put down a marker. But that hasn't happened yet at all.

At what point would you get worried about foreign takeovers of City firms?

I wouldn't like to specify a particular point at this stage, but I think it would be perfectly right to say that if we regard ourselves as an international securities market, it has got to be one in which people other than the home team can play. And in those circumstances, I don't think it would be right to set up any principles of discrimination.

Is it important that foreign entrants should offer reciprocal access to their home markets?

Reciprocity has a weight, undoubtedly. But we should still bear in mind that the most vigorous and successful centres in the world are the ones that are most open. The City of London has always enjoyed this tradition, and I would be reluctant to take any steps that interfered *with this basic attitude.*

How do you feel about the development of financial conglomerates in the City?

I don't feel unhappy with it. If practitioners take the view that there is a commercial prospect for a financial conglomerate, they are entitled to put it into effect. The important thing about conglomerates is that they should not be set up in a way which creates inherent conflicts of interest that cannot be resolved in some proper fashion.

Do you feel relaxed about the prospect of change in the gilt-edged market?

We have to accept that we have a unique position in the gilt-edged market, but I don't think that this affects the basic principles I've already expressed to you. Given that the market meets the two principles, we are very content for practitioners to work out for themselves how they think they are best going to serve the market.

Where would you stand if a major U.S. or Japanese investment bank started to take an active interest in gilt-edged trading?

I don't think it ought to make a difference whether the firm is American or Japanese or from the City of London.

Would you mind if more discount houses were taken over?

We are going to continue to need the service of the system which the discount houses provide. The Bank made it perfectly clear some time ago that it would *prefer* to operate through intermediaries in this way, and I think that system will not change. If some of the houses strike up alliances with other types of business, that may be perfectly all right provided that we are still able to identify within the financial group the intermediary which is carrying out the traditional role of the discount house.

Obviously we have got an interest in both monitoring and safeguarding the solvency of those with whom we deal. We would have to continue to apply very rigorous tests when there was any extension of activities or new shareholding link with one of the existing houses. It might require some sort of regulation of transactions between different companies in the same financial group.

Mr Robin Leigh-Pemberton — *Trevor Humphries*

But it is going to be essential if we have this system of intermediaries that they should continue to have access in one form or another to ourselves—on our terms.

Could you have this sort of relationship with a foreign-owned discount house?

I would have thought so, provided that the points I've just made were met.

Could the discount houses have a more active role to play in the gilt-edged market?

I don't think there would be anything in principle to stop a discount house becoming more active in the gilt-edged market in this way, provided that our criteria continue to be met, and that the benefits of the special relationship with the Bank are not being used for wider purposes.

But if a discount house were to become a market maker in gilt-edged stock, I would certainly expect that it should do this through the central market of the Stock Exchange.

Turning to the question of regulation, what is your response to Professor Jim Gower's recent report?

My initial reaction to Gower—and indeed that of the Bank as a whole — is *fundamentally* favourable. I think he has drawn on the traditional City ability to operate various forms of self-regulation, and on the whole I think the structure he has envisaged is something that we could very well put together and make effective.

Don't you think it might be a bit cumbersome?

It may be that with thought some of those matters which I perhaps would regard as detail rather than principle could be improved. Basically, we all here like the principle.

Can trade associations be turned into efficient regulatory bodies in the way Gower suggests?

I think they have got to be ready to do this, because the alternative would be some form of licensing by statutory authority which I would regard as a retrograde step.

Do you think that the Council for the Securities Industry has any real role to play in all this?

The interesting thing about the Gower proposals is that they open up the possibility of quite a significant new phase in the development of the CSI. I think that between the self-regulatory agencies and the *ultimate statutory authority*—whether it be the Department of Trade and Industry or the Bank under the Banking Act—there is going to be an important role for a body like the CSI. It ought to be the CSI.

So you don't think it is just the fifth wheel on the coach?

I don't think it should be in this new situation.

If it is going to assume this role, it may well have to be a larger organisation with a larger executive—perhaps a permanent chief executive—in addition to the council itself.

I think there is an important job here. After all, if we don't have the CSI, there is going to have to be some sort of body between the self-regulatory agencies and the Government department. Otherwise the Government department would do this direct—and it would need a very considerable extension of present practices, expertise and personnel. I think this would come much more readily from a body set up from within the City.

Is there a risk of conflict between the Bank, the Department of Trade and the various other regulatory bodies?

I hope there won't be. The bodies which you have mentioned have their respective roles at the moment specified fairly carefully. The Bank has *statutory duties under the* Banking Act, the Department has its own statutory duties, and so has the Registrar of Friendly Societies. We all understand this.

If you move into the non-statutory areas, you'll find that the Bank has a traditional role of not only representing the City but also of being an organisation to which the City has always been ready to turn for advice and assistance at moments of change like this. There is nothing legal or statutory about this, but it is a matter of practice and tradition. If we continue to perform this role in much the same fashion as in the past, we can be a helpful source of advice and informal direction. I don't feel anxious about this.

As for the securities market, it has been accepted by both the Government and the Stock Exchange that the Bank should take an interest in the way that these changes are developing. It's been suggested that we have a monitoring role, but that's not a statutory role—it is one that the Bank has traditionally played of being a source of assistance to the parties concerned.

And it is by no means a permanent role. I regard the Stock Exchange Council as the body which regulates the Stock Exchange, not the Bank of England.

You have expressed the hope recently that the coming changes will strengthen the international position of the British securities industry. Why should that be?

When I said I hoped we would recapture and bring back some of the business which has gone overseas in past years, I was relating it to a belief that we intend to establish over the next two or three years a highly competitive securities market. I believe we are capable of doing this.

We have to recognise that hitherto our trading practices—which were soundly based in their way, above all on investor protection—have made dealings in securities in London more expensive than elsewhere, and that as markets become more and more international we simply have to take recognition of the terms on which it is possible to deal elsewhere.

The important thing for us to avoid is some lack of confidence in the market—some breakdown in investor protection, say, which would be unacceptable. Periods of change are both a source of anxiety and a source of opportunity. We would be *foolish if we did* not recognise that for the long term these changes do represent very considerable opportunities.

How does all this affect your own job?

It is a very interesting time to be Governor. A lot of people think that the main concern of a Governor nowadays is with monetary policy or with international debt. I personally regard this matter of the change in the financial markets in the City of London as quite one of the most important and challenging things that confronts my immediate period of governorship.

Politics Today, on the aftermath of the Chesterfield by-election, will appear tomorrow.

Lombard

Unfairness in the tax system

By Clive Wolman

THE ATTACK by the Labour Party on the Inland Revenue for seeking to tax the building societies' gilt profits illustrates both the strength of the build*ing society lobby and the degree* of present confusion over fairness in taxation.

After all, the tax avoider has always been one of the chief figures in Labour Party demonology — and the last Labour Government must have split more of the Parliamentary draftsman's ink on anti-avoidance clauses than on any other matter.

But on this occasion, the *Government found itself accused* of striking a blow at every one of Britain's home-owners and their families by Mr Roy Hattersely, the Shadow Chancellor.

No doubt if he had been Shadow Chancellor in September, when the Government prevented British Petroleum from exploiting a tax loophole when selling a stake in the Forties field, Mr Hattersley would have accused it of striking a blow against every one of Britain's fuel consumers.

Like BP, the building societies always have the option of cutting their own expenses rather than passing on extra costs to their customers. And there is certainly fat to be cut.

The remarkably rapid growth of building society assets from £11bn in 1970 to £88bn today has been achieved by increasing management charges in relation to the size of investors' funds from 68p per £100 in 1970 to 130p in 1982. Particularly noteworthy has been the soaring expenditure on advertising and on financing the proliferation of branches.

If, as the societies claim, their expense ratios worsened because inflation eroded their investors' funds in the 1970s, then those ratios should be improving rapidly now at a time of high positive real interest rates—and by more than enough to offset the extra tax charge.

The societies' expenditure pattern has been largely the result of the concern of building society chiefs to maximise, not profits—or "surpluses" as they are quaintly called—but the investors' funds under their control.

For the minimum reserve requirements to be met, however, a building society's growth in assets must be matched by rising net surpluses. Over the last two to three years, such surpluses have been *achieved, and the growth* of building societies financed, largely at the expense of the taxpayer. For, while investment (ie gilt-edged) profits have shot up, the societies' tax bill has been slashed from 51 per cent of net surplus in 1975 to 40 per cent in 1981 and 22 per cent in 1982.

The societies rightly claim that they have been doing only what most other participants do in a gilt market fundamentally distorted by tax considerations. Dealers estimate that in about 90 per cent of transactions, tax is a primary, and sometimes the sole, consideration.

Successive governments, both Labour and Conservative, are largely to blame. For they have persistently issued gilt-edged stock designed purely as tax avoidance devices for higher-rate taxpayers—and building societies. These stocks offer little by way of interest—which would be highly taxed—but make up for this by guaranteeing large tax-free capital gains.

These tax-privileged low-coupon gilts distort not only the gilt market but also pre-empt any company from issuing competing low-coupon bonds even when, for genuine cash-flow reasons, they would be the most efficient way of financing.

The Revenue may have a *legal justification for last week's* clamp-down. But a more efficient way of making the building societies—and the wealthy—pay their dues would be by stopping the issue of low-coupon gilts.

The remaining problems, such as how to tax index-linked gilts or the banks' unfair leasing advantage over building societies, point to a more deep-rooted flaw in our tax system. *Arguably it is a flaw that only* the replacement of our income and corporation tax by a graduated expenditure and cash-flow tax can overcome.

But it is too often self-serving to plead that no unfair tax advantage should ever be removed without simultaneously overhauling the system.

Letters to the Editor

Tax avoidance and the law

From Mr H. Roe

Sir,—Your leader of February 24 rightly draws attention to the significance of the Furniss v Dawson decision and the new *emphasis on business* purpose rather than business effect. It also comments on the new uncertainty *about* the *law* and the need for *some guidelines.* It fails, however, to make the importnat point that the Government and the Revenue are continuing to act as though nothing has changed over the past three years in the field of tax avoidance. The approach to controlled foreign companies (CFC) illustrates the point.

The original discussion document "Company residence and tax havens" was published early in 1981, the first draft legislation (Yellow Peril) in December 1981, a revised draft (later incorporated in the partially aborted 1983 Finance Bill) in December 1982 and a further draft in September 1983—expected to be included in the 1984 Finance Bill. Over this period the *decisions* in Ramsay, Burmah and now Dawson have been handed down by their Lordships. Everyone is agreed that the balance of power between the Inland Revenue and the taxpayer has been fundamentally changed by these decisions but this has hitherto been ignored by the Government and the Inland Revenue. The Chancellor and his team should review the position before introducing legislation which now appears unnecessary.

The major evils the CFC legislation is meant to attack are "the artificial diversion of profit *from the UK" and the* "accumulation of income tax free outside the UK." The first of these would appear to be rendered ineffective by the Dawson decision; the second should more properly be dealt with by specific legislation covering *devices* such as the money box companies. This would attack the right targets and properly constrain the Revenue which will otherwise have almost *unlimited discretion* in view of the unsatisfactory nature of the "motive" test.

One recognises that having adopted a public position on the need for legislation in the tax haven area the Government may find it difficult to pull back at this late stage. It would signify a properly mature approach if even now the Chancellor recognised that—the ground rules *for* tax avoidance have changed radically. He could also save a dozen or so draft clauses and three schedules amounting to 50 pages in the 1984 Finance Bill by reconsidering the proposed legislation which is in many respects unfair, will further extend Revenue discretion, and will increase both the number of Revenue agents and bureaucratic interference with normal business decisions.

Since there would be relatively little gain to the Exchequer—particularly since artificial arrangements will now be ineffective in any case—the Government should think again.

H. R. Roe,
Kelsall House,
Bagshot Road,
Sunninghill, Berks.

Effects of the Rates Bill

From Professor G. Jones

Sir,—Mr Peter Lilley criticised (February 27) Robin Pauley's estimate that the Rates Bill may cost the Treasury £1.5bn. My analysis, however, coincides with that of Mr Pauley's. He in fact put the most favourable interpretation on the Government's proposals, and yet came up with alarming results. The pity is that the Government has produced no figures about the consequences of rate capping. Mr Pauley was performing a national service in providing an important missing piece of vital evidence.

It is significant to note that Mr Lilley is no mere backbencher. He is the Parliamentary Private Secretary to both Mr William Waldegrave and Lord Bellwin who are piloting the Rates Bill through the Commons and Lords respectively, and he sits on the Standing Committee himself. The current debate would be much improved if Government mouthpieces provided some hard facts instead of lambasting those who do.

(Professor) G. W. Jones,
Department of Government,
London School of Economics,
Houghton Street, WC2.

From the President,
Association of Metropolitan Authorities

Sir,—In attempting to challenge the information set out in Robin Pauley's informative articles on the cost of the Rates Bill, Peter Lilley (February 27) made one obvious point, not in dispute, and ignored the substantive case. It is not disputed that if the Government takes over the control of certain local authorities, services in those areas will deteriorate and they will therefore spend less than they otherwise would.

Patrick Jenkin, the Secretary of State, is on record, however, as saying that as a result of the powers in the Rates Bill "I would expect in 1985-86 and thereafter to be able to set targets which take greater account of grant related expen*ditures and thus recognise the* efforts which low-spending authorities have made." He recently repeated that pledge in Standing Committee G, considering the Rates Bill, on February 21, and I assume Peter Lilley was there to hear that debate.

Robin Pauley's articles were an attempt to cost that pledge and came to the conclusion that easier targets for the shire counties and others would require the Treasury adding substantial sums to the public expenditure White Paper figures. Given that the White Paper expects local authorities to have cut their expenditure by almost £2bn in real terms by the end of 1985-86 this does not seem an unreasonable conclusion. In arguments in committee Patrick Jenkin has challenged the opposition figure of the savings to be made by rate limitation (about £200m) and suggested a figure of £350m. That still leaves savings of £1.6bn to be found from all other authorities.

It is clear that Patrick Jenkin is aware2of this problem. He was at pains to point out, in committee, that the public expenditure figures were revised upwards for local authorities in each of the last three years to "recognise the realism of particular spending patterns." He understands the cost of his undertaking to the shire counties by pledging that "nothing that . . . has been published in the public expenditure White Paper should cast any doubt on the Government's good faith in implementing that undertaking."

It begins to look more and more as if the Rates Bill is simply a vendetta against local authorities and the services they provide, and very little to do with the Government's supposed aim of protecting ratepayers and reducing local authority expenditure.

Underhill.
36, Old Queen Street,
Westminster SW1.

From Mr T Travers

Sir,—Peter Lilley's attempt (February 27) to discredit Robin Pauley's articles on the Rates Bill was most misleading. It suggested, as the Government has on a number of occasions, that somehow all will be well with local government once the Rates Bill becomes law.

The particular article which Mr Lilley referred to was an attempt to *show* which authorities might have their rates cut by the Rates Bill and what the overall effect might be. The Government itself has made no such attempt: no figures have been produced to show how the new system would work, and how much it might cost. This, surely, could have been done by reference to 1983-84.

Mr Lilley is also less than fair when he claims that the article was wrong to suggest that there will be additional costs to the Government because of the Rates Bill.

Considerable amounts of time will have to be spent by Ministers and officials as each local authority makes its case to be taken out of rate capping. Delegations of councillors and masses of paperwork will travel backwords and forwards to London. Expensive litigation will be inevitable.

Two other costs must be added to these. There will be the cost to the Treasury of having to pay out more grant. This will be the inevitable consequence if rate capping works. Public spending plans will have to be raised to make the rate and expenditure limits set for councils realistic.

In addition, the Government is now committed to raising the targets for 1985-86 of the many *low-spending councils. This* will inevtably raise public spending. All in all, Robin Pauley's estimates were quite realistic. More to the point, they are the only ones we have.

Tony Travers
7, Furnival Mansions,
Wells Street, W1.

Ask the right question

From the Marketing Director,
Clifford & Snell.

Sir,—In the FT of February 23, Michael Dixon heads his article "Why headhunters should ask clearer questions." From recent experience I suggest another heading—"Why headhunters should ask the right questions."

Over the past four years, I have received four telephone calls from headhunters who obviously knew a great deal about my career with various companies. I listened patiently while the position on offer was described at length together with salary, fringe benefits, location, etc.

As soon as the opportunity was presented I put my first question which concerned the *age limits and in each it was* quoted 35-45, although in one instance this could be stretched to 50 for an exceptional candidate.

I shall be 64 years old next August. Need I say more?

C. Garn,
Clifford & Snell Limited,
512, Purley Way,
Croydon, Surrey.

FINANCIAL TIMES

Friday March 2 1984

Hollings drops out of U.S. campaign

By Stewart Fleming in Washington

SENATOR Ernest Hollings yesterday withdrew from the race for the Democratic presidential nomination. Mr Reubin Askew is expected to follow suit today, further narrowing the field of candidates.

Senator Alan Cranston, the man most identified with calls to halt the nuclear arms race, had withdrawn on Wednesday, saying: "I know the difference between dreams and reality."

Together, the three candidates managed to garner only 7 per cent of the vote in New Hampshire. They had already been widely written-off as serious contenders.

The Democratic race is now widely seen to have come down to a head-to-head contest between the unexpected winner in New Hampshire, Senator Gary Hart, and the wounded front runner, former Vice-President Walter Mondale. Mr Mondale has already begun to refocus his campaign, for the first time attacking directly one of his rivals, Mr Hart, after having in recent weeks increasingly ignored them and hit directly at President Ronald Reagan.

Both leading candidates are boosting their efforts in Maine, which has caucuses on Sunday to select delegates to the national convention in July and in Vermont which has a non-binding "beauty contest" primary on Tuesday. Mr Hart will try to show that he can maintain the momentum he picked up in New Hampshire, and Mr Mondale to demonstrate that he can be a vote-winner in a head-to-head contest against Mr Hart.

The "super Tuesday" of primaries and caucuses on March 13 is the next critical date, especially for Senator John Glenn and the Rev Jesse Jackson, who are still hoping to make an impact on the contest, and for Mr George McGovern.

A key question is how the presence of these three rivals, none of whom is given a real chance of winning a major contest now, will affect the ability of Mr Mondale and Mr Hart to pull in votes. For Mr Hart, the challenge is to see how quickly and effectively he can put together campaigns in southern states which he has hitherto neglected.

McDonnell wins $1.3bn American Airlines order

BY TERRY DODSWORTH IN NEW YORK

AMERICAN AIRLINES, the second largest U.S. carrier, is spending about $1.3bn on 67 McDonnell Douglas MD-80 medium-range airliners in what is said to be the largest single order in the history of commercial aviation.

Pratt & Whitney will supply the engines, in its biggest single order from one customer.

The Dallas-based group is also taking out options on a further 100 aircraft, which would bring the total order to about $3bn over the delivery period up to 1991.

The deal was heralded in the U.S. industry as a sign that the five-year slump in passenger aircraft purchases was coming to an end. Only five months ago, McDonnell announced that it was abandoning work on future commercial development contracts because of the poor order outlook. In early 1982, American was forced to cancel a $800m contract for 15 twin-engined Boeing 757s.

Mr Sanford McDonnell, chairman, speaking on Wednesday night, sounded a much more optimistic note about the future of the industry, however. He said the agreement would "provide us with the order base to expand our production rates to meet an expected worldwide increase in demand for the MD-80 in the next several years."

American, which has achieved a dramatic financial recovery in the last half year, generating earnings of $216m, was also talking optimistically of expansion.

The company said it was putting on further cross-continent flights, from New York to Los Angeles, and will add services from its two main bases at Dallas and Chicago.

The expansion plans follow a new wage deal at American, which gives a bias towards growth in that additional hirings come into the company at much lower wage rates than those being paid to present employees.

Partly because of that agreement, but also because American has already used the deregulation process to expand its route structure, it was widely expected that the group would make a big dash for growth this year.

American refused to say how it would pay for the aircraft, but it has recently been moving towards leasing contracts rather than cash payments.

British banks agree to major review of clearing system

BY DAVID LASCELLES IN LONDON

BRITAIN's 10 clearing banks have agreed to an extensive review of the UK's clearing system, which has frequently been criticised as a cartel.

The review will focus on the key question of broadening membership of the system, and the impact of new technology, which is making the paper-based part of its operations out of date.

Until the review is finished – which might be at the end of this year – Citibank of the U.S. and Standard Chartered Bank have agreed to defer the applications they lodged in recent months to join the ranks of the clearers.

Sir Timothy Bevan, the chairman of Barclays Bank and current chairman of the Commitee of London Clearing Bankers, the clearers' trade group, said last night: "The clearing system has served the country well for more than 100 years and is one of the most efficient in the world – for instance, dealing with 3.3bn payments last year. However, the advance of technology in the last few years has made it appropriate to undertake a major review to ensure that the system will meet the challenges of the future."

The review would include consultation and "could result in changes to the structure of the system."

Traditionally based on manual cheque-sorting, clearing is the nerve centre of money transmission in the UK. Today more and more of the work is done by automated electronic systems.

The system is run by the clearing banks, which set their own criteria for membership. That is why critics accuse them of operating it for their own good rather than as a vital public service. Non-clearing banks have to clear through a clearing bank.

In its report on UK financial institutions, the Wilson Committee said the clearing system should be opened up – though it did not find much evidence of restrictive practices. More recently the National Consumer Council recommended in its inquiry into banking services that the Government should review the whole question of control of the clearing system if the banks had not allowed others in on fair terms within two or three years.

Although the banks had been pondering a review for more than a year, fresh urgency was added last autumn when Citibank became the first foreign bank to seek membership, followed soon afterwards by Standard Chartered.

Citibank last night applauded the review, hoping it would lead to "an early decision to allow greater competition within the clearing system."

Another impetus is the emergence of new forms of money transmission, such as point-of-sale terminals where a shopper can instantly transfer money from his bank account to that of the shop with a plastic card.

The Bank of England, itself a clearing bank, last night welcomed the review and said its concern was that the clearing system should be structured "with full regard to the public interest." Bankers have not ruled out the possibility that clearing might be thrown open to any bank willing to share the cost. That would sharpen competition among the clearers and lead to a reduction in costs.

Interview with Bank of England Governor, Page 8; profits recovery for Swedish banks, Page 11

Mexico repays bank shareholders

BY DAVID GARDNER IN MEXICO CITY

THE MEXICAN Government yesterday handed over the first interest payment on the compensation bonds issued to bank shareholders following the nationalisation of the private banks in September 1982.

The interest payments, amounting to pesos 32bn ($190m), cover the period from September 1983 to yesterday. The interest is calculated on the pesos 312bn already settled in compensation on the banks. There are still a number of banks for which a compensation price has yet to be fixed.

The compensation bonds – known as Bank Indemnity Bonds (BIBs) – will be the main instrument used in the imminent sale to the private sector of the industrial assets held by the banks which were swept into the state sector by the September 1982 takeover.

The divestiture of the 483 companies affected – now expected to take place in the next two weeks – has been held up by the difficulty in putting a value on them, it is believed. One difficulty that may be anticipated is if the compensation bonds plus the interest accrued on them exceeds the current market value of the asset to which they are linked, thereby reducing the attraction of making the exchange.

Of the 483 companies, 40 are themselves banks and a further 35 are financial services companies – leasing, brokerage, insurance and bonding companies and mutual funds.

The return of the bank-held assets will be the largest state sell-off to take place in Latin America since the Pinochet regime handed over most of Chile's public companies after the 1973 coup against the left-wing government of Sr Salvador Allende.

It is considered a vital step towards rebuilding the confidence of the Mexican private sector after the trauma of the nationalisation of the banks and the 1982–83 financial crisis.

● The Bank of Mexico announced yesterday that exporters who fail to turn over their foreign-exchange earnings to the nationalised banking system within 75 days will be penalised with an exchange rate five centavos per dollar lower for every day they are late.

The move is intended to counter speculation against the peso, now being devalued at a daily rate of 13 centavos, making delays in the handover of dollars beneficial in peso terms. The central bank is now allowing exporters more time to hand in their foreign exchange, however. The previous time limit was 30 days.

International capital markets, Page 42

Two units sold by U.S. Steel for $140m

By Paul Taylor in New York

U.S. STEEL, which is in the process of a major reorganisation, has sold its Alside building products division and its tyre cord and electrical cable operations to Associated Materials of Dallas.

The steel group, the largest in the U.S., last month bid $575m for National Intergroup's steel business.

U.S. Steel said that as a result of the sale, which is part of an asset redeployment programme begun in 1982, it will receive proceeds "in excess of $140m."

Alside, whose headquarters is in Akron, Ohio, is a major producer and distributor of steel, aluminium and vinyl siding and related products for the U.S. home improvement industry. The tyre cord operation, based in Lumber City, Georgia, produces and sells steel cord and bead wire used in car and truck tyres. The electrical cable business produces and markets insulated electric power cables and electromechanical wire line cables at Eldorado, Arkansas.

U.S. Steel, which originally announced the planned sale of the units in January, said 2,150 people are currently employed in these operations.

Associated Metals is headed by Mr William Winspear who was, until recently, president and chief executive of Chaparral Steel.

French may quit Beirut

Continued from Page 1

cuss with his father Pierre Gemayel, who heads the Phalange Party, the main Christian political faction.

Should President Gemayel or the Phalange Party refuse to accede to Syrian demands, a further outbreak of fighting can be expected with the Druze and their Lebanese allies seeking to extend their area of control in the mountains overlooking Beirut.

France is, meanwhile, anxious to pull its 1,200 troops out of Beirut as fast as possible, without taking any "precipitous decisions".

IBM cuts PC prices

Continued from Page 1

turing rights for the Sirius. Negotiations yesterday were still said to be at a critical stage.

ACT also builds its own personal computer, the Apricot, which has proved successful. Mr Roger Foster, ACT managing director, said yesterday the Sirius, Apricot and IBM PC were selling in equal volumes in the UK. Next week ACT will launch a version of the Apricot with massive high-speed (hard disk) memory which will significantly undercut the IBM PC/XT.

Dealers were complaining that the IBM PC was in short supply so it made no sense to cut the price except as a competitive move. After the latest price cuts, the IBM PC is still more expensive than the Apricot and the Sirius. Comparisons are complicated, however.

In Britain, a typical IBM PC small system consisting of processor with 64,000 bytes of memory, disc drive, monochrome display and keyboard will now cost just less than £1,800 compared with £2,200. The price of a large system with 128,000 bytes of memory, two disk drives, colour screen, keyboard and printer is reduced from £3,445 to £2,973.

Citroën may cut workforce by 6,000

By Paul Betts in Paris

CITROËN, the French car company owned by the troubled private Peugeot group, is expected to announce next week plans to cut its workforce by 6,000.

Although Citroën was hoping to reduce its workforce through attrition and early retirements, the company now is expected to make substantial redundancies.

Officials of Citroën labour unions say the car company plans to announce the need to make more than 2,000 workers redundant this year.

The company is due also to put its controversial labour proposals to the labour representatives on March 9. The company, burdened by about FFr 3bn ($375m) in accumulated losses in the past three years and a declining French motor market, last month asked 3,500 of its 43,000 employees to consider taking early retirement.

The labour unions, however, say the company now wants to reduce its workforce by 6,000, and that it will have no alternative but to lay off a substantial number of workers if it is to achieve this target.

The labour unions said last night these latest job reduction proposals are contained in a document to workers representatives from Citroën management.

The unions indicated they would oppose the redundancy plans. These follow the 1,900 redundancies at Peugeot's Talbot subsidiary which provoked a serious labour clash at the beginning of this year.

Inflation in Brazil hits 230%

Andrew Whitley in Rio de Janeiro

THE BRAZILIAN Government's worst fears about the steep underlying rate of price rises were confirmed yesterday with the disclosure that the annual rate of inflation has hit a record 230 per cent.

Wholesale prices rose 255 per cent in the same period, indicating the level of pressure still to work through into the retail price index.

The confirmation that domestic prices are climbing at a much faster rate than envisaged by the Government and the International Monetary Fund seriously compromises the IMF-set economic targets for the first quarter of 1984.

The inherent dangers in this situation were underlined recently by a well placed U.S. official monitoring the Brazilian debt crisis: "It's by no means sure that the IMF will grant Brazil another 'waiver' if it fails to meet this quarter's targets," he warned.

The IMF mission which on Monday concluded a three-week visit to Brazil is known to have strongly urged the economic authorities to squeeze the money supply and credit expansion even tighter, after the over-runs recorded in January.

In February the general price index rose 12.3 per cent, up from 9.8 per cent in January, when the 12-month figure hit a then record 215 per cent. The closely watched monthly price rises are thus back at the level they were for several months in the second half of 1983, when fears of massive inflation were rampant.

Last week the Government tightened price controls on a wide range of manufactured goods. It also improved the administration of the system, which was felt to be feeding inflation rather than cooling it, by permitting automatic upward adjustments in prices of 80 per cent of the previous inflation figure.

The officially sponsored Getulio Vargas Foundation yesterday published revised figures for the decline in gross domestic product last year. This is now put at minus 3.3 per cent, as opposed to the earlier estimate of minus 3.9 per cent. Calculated in U.S. dollars, Brazil's GDP at the end of 1983 was said to be $210bn.

Daewoo, GM close to deal

By Our New York Correspondent

DAEWOO, the rapidly expanding South Korean motor company, is expected to sign a contract for the export of a newly designed small car to the U.S. in the next few days.

Talks are at an advanced stage with General Motors, the largest U.S. car company, which has a 50 per cent stake in Daewoo.

The two companies have been working on a joint project for a sub-compact model, to be distributed through GM's U.S. network, at the rate of about 100,000 units a year.

Hymac rescue, Page 5

THE LEX COLUMN

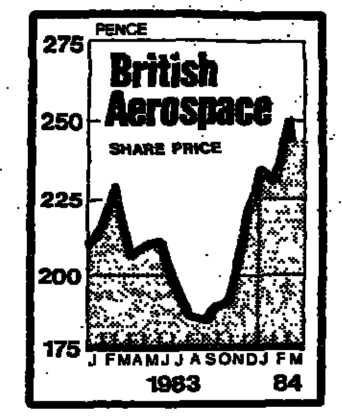
An Airbus ticket for Mr Tebbit

The Government has in the end provided a short but springy piece of elastic for BAe's Airbus catapult. Although BAe is notionally being required to find around £400m from its own resources, roughly twice what it hoped, the official package is to be concentrated over the next four years – rather than stretching out until the early 1990s. So the effect is apparently to delay the Airbus A-320's demands on BAe's cash-flow, and on its bankers, until the aircraft is entering commercial service.

The generosity of Mr Tebbit has seemingly proved so overflowing that BAe already feels comfortable enough to commit £150m to the development of its own advanced turbo-prop airliner.

The prospects for the next generation of 150-seat aircraft are remarkably alluring: Airbus Industrie is looking for sales of 700 out of a total market estimated at 3,000. If this sort of target can be hit, BAe will at least be doing a great deal of work. However, the financial record of Airbus Industrie to date – although shrouded in secrecy – appears to have been none too encouraging. By the end of 1979, it seems that Airbus Industrie had accumulated losses of at least $739m, a figure which even the French authorities are said to have regarded with scepticism; since then the rising inventory of white-tailed A-300s suggests that the position is unlikely to have improved. Since British Aerospace does not participate in profits until the deficit is cleared, it may be a long time before its Airbus involvement is in the black.

In view of that, the odds could well be on BAe feeling the need for fresh equity some time in the development of these expensive civil projects. British Aerospace's first rights issue seems likely to enter service rather before its two airliners.



Royal Insurance

There are plenty of Cassandras in the insurance sector these days and most of them had lavished some attention on Royal Insurance's earnings prospects for 1983 ahead of their announcement yesterday. When pre-tax profits emerged at £98.4m, against £96.5m, the sight of the bears running for cover caused more excitement than anything in the Royal's own rather dull performance and pushed the shares up to 540p. They closed up 18p at 520p to yield just over 8 per cent on the increased dividend.

The figures themselves were not entirely as expected, however. While the Royal has continued to make steady if uninspiring progress in the U.S., a fourth-quarter deterioration in the Canadian market contributed £15.2m to Canadian underwriting losses of £20.6m for the year. That would have left a smile on the Cassandras' faces after all, had not commercial rates in the UK held up rather better than the Royal or most other participants expected.

Canadian margins now seem bound to be a headache in 1984; but having already cut its market share there from as much as 10 per cent to 5 per cent or so today, the Royal will not be keen to lead the way towards higher rates. At least it can now hope to capitalise on the recent reorganisation of its Canadian operations, which cost over $4m in 1983. Some improvement in its U.S. workers' compensation account might also help to limit the impact of Canada on this year's aggregate underwriting performance. Even a flat result on this score, given a reasonable increase in 1983's investment income of £280m, ought to make pre-tax profits of £120m a fair target for 1984.

Life assurance

The Royal also chose yesterday to confirm its plan to capitalise its life business on the basis of an independent valuation – and found itself announcing the change just as the market was finally coming to terms with the rumour of tax reforms which could make any such valuation immeasurably more complicated.

The City of London appears confident that the UK budget will be broadly neutral in its total fiscal impact. But it also has a strong suspicion that this Chancellor will be aiming for a rather more colourful financial statement than this alone might allow. Squaring the one conviction with the other has led to widespread anticipation of a blitzkrieg on the savings industry's anomalies, as presaged by the Inland Revenue's two ferocious sorties to date.

One obvious casualty could be the tax relief on life premiums which have given the industry such a useful marketing tool, and the FT-Actuaries Life Assurance index dropped 5.9 per cent to 469.09 in an oddly belated recognition of the threat. At this level it could look cheap if nothing happens – or still dear if it does.

Tokyo market

There is little more shocking to the Tokyo stock market than the collapse of a listed company, so its response to the news that J. Osawa has sought court protection was perhaps predictable. As the ramifications of the trading group's failure spread yesterday to embrace companies with which it had equity or commercial links, the Nikkei-Dow Average reversed through 10,000 to close 110.43 down on the day at 9,920.27.

On the face of it, the Osawa affair underlines the inadequacies of a stock market which permits debt to be tucked away in off-balance-sheet subsidiaries and then enhances the risk of a domino collapse by countenancing very substantial cross-shareholdings. Osawa's failure has already threatened the future of Mamiya Camera, a client company in which it had a 30 per cent stake.

In practice, however, the banking system generally acts as informal guardian of shareholders' interests and large-scale bankruptcies in Japan remain extremely rare. Investment interest in Osawa has long been speculative and it is most unlikely that foreign institutions will have suffered greatly from this week's events.

They may be affected indirectly, however, by a loss of confidence among domestic investors. Throughout the past month, Japanese institutions have absorbed remarkably heavy net sales by non-residents. To judge from the market movement of the past two days, their appetite has now dulled.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	B	10	50	Dubrovnik	S	17	63	Malaga	S	13	55	Salzburg	C	-1	30
Akrotiri	F	17	63	Faro	S	13	55	Malta	–	—	—	Seoul	C	5	41
Algiers	C	15	59	Florence	R	10	50	Manila	C	31	88	Singapore	R	29	84
Amsterdam	C	5	41	Frankfurt	S	5	41	Miami	C	18	64	Stockholm	Sn	0	32
Athens	S	20	68	Funchal	C	16	61	Milan	R	7	45	Strasbourg	C	-1	30
Bahrain	C	21	70	Geneva	C	3	37	Moscow	C	-2	28	Sydney	C	23	73
Bangkok	C	33	91	Gibraltar	S	13	55	Munich	C	-1	30	Taipei	R	13	55
Barcelona	C	9	48	Guernsey	C	7	45	Nairobi	–	—	—	Tangier	C	13	55
Beirut	C	18	64	Helsinki	Sn	1	34	Naples	F	12	54	Tehran	–	—	—
Belgrade	F	8	46	H. Kong	C	13	55	New Delhi	C	26	79	Tel Aviv	F	27	81
Berlin	S	7	45	Innsbruck	F	8	46	New York	C	0	32	Tenerife	C	20	68
Biarritz	C	6	43	Inverness	F	6	43	Nice	C	14	58	Tokyo	C	7	45
Blackpool	F	6	43	Istanbul	R	9	48	Oporto	S	11	52	Toronto	C	-1	30
Bordeaux	C	5	41	Jersey	R	6	43	Oslo	S	1	34	Tunis	F	16	61
Brussels	C	6	43	Jo'burg	C	27	81	Paris	S	6	43	Valencia	F	12	54
Budapest	F	7	45	Las Palmas	F	19	66	Prague	–	—	—	Venice	R	9	48
B. Aires	C	26	79	Lima	C	26	79	Reykjavik	S	-7	19	Vienna	S	8	46
Cairo	C	23	73	Lisbon	C	12	54	Rio de J'o	C	39	102	Warsaw	S	7	45
Cape Town	–	—	—	Locarno	F	7	45	Rome	R	18	64	Zurich	Sn	1	33
Caracas	–	—	—	London	F	12	54								
Casablanca	F	15	59	Los Angeles	C	24	75								
Copenhagen	C	2	36	Luxembourg	S	3	37								
Corfu	C	16	61	Madrid	F	6	43								
Dublin	C	11	52	Majorca	F	12	54								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Snow Report

EUROPE

Arosa (Sw)	125–180 cm	Good skiing off piste
Courmayeur (It)	200–300 cm	New snow on good base
Gstaad (Sw)	80–150 cm	Good skiing on piste
Kitzbühel (A)	60–165 cm	Worn patches on lower slopes
Klosters (Sw)	100–180 cm	Skiing good above 2000m
St. Anton (A)	100–350 cm	Spring snow, sunny slopes
St. Moritz (Sw)	70–95 cm	Excellent above 2000m
Val d'Isere (Fr)	122–241 cm	Good skiing everywhere

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col.)	29–60 ins	Powder and packed powder
Park City (Ut.)	0–97 ins	Packed powder
Squaw Val (Cal.)	0–96 ins	Groomed packed powder
Stowe (Vt.)	39–80 ins	New powder on packed

Figures indicate snow depths at top and bottom stations.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday March 2 1984

Banco de Vizcaya buys failed Catalana

By Tom Burns in Madrid

THE BANCO de Vizcaya, which has been managing Banca Catalana on behalf of a group of the main Spanish banks, has exercised its option to buy the Barcelona-based bank and paid Pta 13.6bn ($91.2m) for an 88.7 per cent equity.

The Catalana industrial and banking group collapsed in October 1982 under irretrievable paper assets worth Pta 119bn and doubtful assets *totalling a further Pta 30bn*. It was subsequently managed by the semi-state deposit guarantee fund, which sold it to a pool of the main Spanish banks in May last year.

The Banco de Vizcaya, which has *had a wide experience in* rescuing ailing banks from the guarantee fund during the recent Spanish banking crisis, was appointed manager of the Catalana by the pool with an option to buy it at the end of two years' stewardship.

A Banco de Vizcaya statement said the option had been exercised ahead of time because sufficient knowledge of Catalana had been gained by the Bilbao-based Vizcaya group, and because of the bank's good performance under the new *management. The statement said* Catalana had obtained a cash flow of Pta 6.32bn and there had been a fast recovery of deposits.

The pooled rescue last year of Banca Catalana and the appointment of a manager from the privileged group of Spain's big seven banks, with an option to buy outright, was a new development in Spanish banking circles.

Pharmacia group posts 62% pre-tax profit rise

BY DAVID BROWN IN STOCKHOLM

PHARMACIA, the Swedish pharmaceutical and electronics group achieved a 62 per cent increase in its pre-tax profit for 1983 from SKr 318m ($41m) to SKr 514m on higher volumes and better margins.

The group forecasts both sales and profits will climb between 20 and 25 per cent in 1984.

Profit per share jumped last year from SKr 8.88 to SKr 14.29, and the board has recommended a dividend *of SKr 1.20 per share against the* SKr 0.90 paid in 1982, as well as a one-for-two bonus issue.

By far the biggest increases came in the separation products division, where sales rose 60 per cent to SKr 519.9), and the pharmaceutical unit, up 59 per cent to SKr 1.02bn. Diagnostic product sales were ahead 26 per cent to SKr 554m.

Sales and other licensing income climbed 40 per cent to SKr 2.39bn against the SKr 1.9bn achieved a year earlier due to several successful new products and positive ex*change movements.*

About 92 per cent of sales were outside Sweden.

Profit margins climbed from 17.3 per cent to 20.7 per cent. Return on total capital employed grew 2.3 per to 22.7 per cent.

Operating profit was ahead 74 per cent to SKr 479.8m. Net financial income was SKr 84.8m. The group raised SKr 357m in a New York share issue late last year. Cash and liquid assets stood at SKr 1.08bn at year's end. Investments more than doubled to SKr 322m, *from SKr 143m.*

New BMW motorcycle plant launched

By Leslie Colitt in Berlin

"DOES IT make any sense for a German manufacturer to continue producing motorcycles?"

The question was posed by Herr Eberhard von Künheim, BMW's chairman, at the inauguration yesterday of Europe's most modern motorcycle plant in West Berlin.

Herr von Künheim admitted that Japanese makes *dominate* world markets. They have considerable cost advantages, he noted, as they work "more than 400 hours longer annually than we do."

Nevertheless, he concluded, the DM 300m ($116m) invested in the new factory is justified.

On the surface, this would not seem to be the case. BMW *last year sold 28,000 of its high-priced* motorcycles, well down on sales when the decision to expand and *modernise was made.*

This year, the company is aiming *to* sell 32,000 machines and the *goal* is *to* boost production back up to 45,000 units annually by the end of the decade. Achieving it will depend on whether the public accepts *BMW's* new line of 4-cylinder water-cooled cycles, the K-Series, which was named last year's "motorcycle of the year."

Two thirds of BMW's motorcycle output in Berlin now consists of the K-Series. The rest is the well-known two-cylinder boxer engine machines, which have become standard equipment with many police forces in Europe and abroad.

This still leaves BMW in Berlin with a lot of spare capacity, which it uses to turn out brake-discs and other components for its cars, which are selling like the proverbial hotcakes.

Chapelle d'Arblay set to sign relaunch deal

BY DAVID HOUSEGO IN PARIS

CHAPELLE d'Arblay, the French newsprint producer, will sign an agreement next week with state-backed institutions and the banks that are making available funds needed to relaunch its activities, according to Mr John Kila, the new president.

The announcement by Mr Kila yesterday at a meeting of the group's suppliers was intended to dispel reports that the Government was drawing back from providing its FFr 2.3bn ($289m) share of the FFr 3.2bn package worked out for Chapelle d'Arblay.

The company, which accounts for nearly all French newsprint production, filed for bankruptcy in 1980. It has been supported by state aid since then.

M Jacques Delors, the Minister of Finance, in particular has been reticent about making such large allocations to one group when demands from other industries are so great.

Mr Kila said two thirds of the equipment of the initial FFr 2.3bn of investment at the company's Rouen plants would be placed with French companies.

He said the cut in the workforce *by 1,000 and the greater use of recy*cled waste paper would produce substantial cost savings. Compared with a production cost today of FFr 3,750 a tonne – excluding depreciation charges – production costs of newsprint would fall 37 per cent to FFr 2,340 a tonne by 1989.

Under the new financial structure for Chapelle d'Arblay, shares in the holding company for the group will be divided between the state investment institution: IDI (24.5 per cent), the Paribas bank (24.5 per cent) and Reparo (51 per cent).

The main shareholder in Reparo is Parenco France, in which Mr Kila has 67 per cent. Parenco, the *Dutch group which was to have* been given management control of Chapelle d'Arblay originally has recently been taken over by the German company, Haindl Papier.

Mannesmann suffers sharp drop in sales

BY JOHN DAVIES IN FRANKFURT

MANNESMANN, the West German engineering and steel pipe group, suffered a *setback* in sales and earnings last year as domestic and export business *felt* the impact of recession.

Worldwide sales revenue fell 15 per cent to DM 14bn ($5.4bn). Sales outside West Germany – from exports and foreign production – showed a hefty decline of about a fifth.

Mannesmann gave no details of profits, but said the group's results were significantly below those of the previous year.

In 1982, Mannesmann reported a group worldwide net profit of DM 280m on sales revenue of DM 18.5bn, and paid an unchanged dividend of DM 6 per DM 50 share.

The company said steel pipe production fell 7 per cent last year and world overcapacity in the industry led to sharp price cutting. On the other hand there were signs of recovery in the final quarter of last year.

Mannesmann listed its Brazilian operation as another headache, although here, too, there were signs of a turnround in the last *few* months, with an increase in orders.

The company said Kienzle, its data processing unit, had made further progress with its consolidation *strategy*, resulting in higher sales revenue and a better order flow.

● Gutehoffnungshütte Aktienverein (GHH), West Germany's leading machinery group, said turnover for the six months to December 31 rose 5.5 per cent to DM 7.5bn ($2.9bn) from DM 7.13bn in the corresponding period of fiscal 1982/83.

Group order inflow rose 11.1 per cent to DM 8.35bn from DM 7.514bn for the same period a year earlier. GHH started its current fiscal year on July 1, 1983.

Dome writes C$980m off asset values

By Robert Gibbens in Montreal

DOME PETROLEUM of Canada *will make non-operating write-offs* totalling C$980m (U.S.$784m) in its 1983 accounts, but says these should not adversely affect its debt rescheduling negotiations since cash flow will be unchanged.

The write-offs in asset values include C$430m for its mining and shipbuilding interests, which it has *not been able to sell because of the* world recession, and C$320m covering reductions in value of certain frontier oil and gas properties.

Dome's remaining U.S. oil and gas properties have been written down by C$170m, which includes C$98m reported in the *second* quarter of 1983.

● Hudson's Bay Company, Canada's largest merchandising group, has doubled the size of its Markborough Properties subsidiary by a transfer of assets with a book value of about *C$800m (U.S.$640m).* Markborough will become one of Canada's largest quoted property groups with assets of about C$1.5bn.

Dutch bank to stick to mortgage business

BY WALTER ELLIS IN AMSTERDAM

WESTLAND-Utrecht *Hypotheek*bank, one of the largest mortgage banks in the Netherlands, has announced that after emergency restructuring centred on sales of subsidiaries and large-scale borrowings, it will in future deal in mort*gage business only.*

The bank's full 1983 results have not yet been disclosed, but it is known that an allocation of Fl 75m ($25.68m) to general provisions against debt has resulted in a net loss for the year of Fl 50m. The 1982 *loss* was Fl 145m. The *1983* operating result was much improved – up from Fl 5.3m to Fl 25.4m.

Shares in the bank's subsidiaries – a project development company, several property ventures and the Friesland-Holland bank – have been sold to Nationale Nederlanden, the largest Dutch insurance group which, with the ABP pension fund, last year rescued Westland-Utrecht from threatened bankruptcy.

The sales, which have been under negotiation for some time, will take effect from last December 31 and will be made at book value. The result will be a net reduction in the property portfolio of Westland-Utrecht of Fl 800m. Westland-*Utrecht says that its risk exposure* on property activities has now been practically eliminated.

To help to cover the risk involved in the takeover, Nationale Nederlanden has negotiated a prior call of the results of Westland-Utrecht up to a maximum of Fl 10m a year, valid from this year until the year 2009.

In addition, mortgages to a total value of Fl 700m secured on properties with insufficient cash potential are to be transferred at their nominal value to a foundation managed in part by Nationale Nederlanden and the ABP. The two principal backers will extend loans to a new company, governed by the foundation, to a total of Fl 400m

NCB advances ahead of Chase deal

By Our Amsterdam Correspondent

DE NEDERLANDSE Credietbank (NCB), the fifth-largest Dutch commercial bank, which is in the process of being taken over by Chase Manhattan bank of the U.S., has announced net profits for 1983 23 per cent ahead at Fl 9m ($3m).

Gross earnings were up 27 per cent, to Fl 95m, while provisions against risks rose by 28 per cent, to Fl 85m.

NCB, which last year underwent *substantial* re-structuring, expects to attract new clients and a wider range of custom when its takeover by Chase is completed.

It is already 31.5 per cent owned by Chase, which will become the biggest foreign banker in the Neth*erlands and extend to its Dutch sub*sidiary the facilities of one of the world's largest banking groups.

NCB's balance sheet total rose slightly last year, from Fl 14.9bn to Fl 15.2bn after a 1 per cent fall

Consafe more than doubles earnings

By Our Stockholm Correspondent

CONSAFE, THE world's largest owner of offshore accommodation platforms and one of Sweden's fastest *growing* companies, has announced pre-tax profits for 1983 more than doubled from SKr 173m to SKr 401m ($51.8m).

The result is attributed to high fleet utilisation – 85 per cent against a 75 per cent industry average in Sweden – as well as good prices for goods and services, in its offshore and engineering divisions. Turnover climbed from SKr 649m to SKr 1.1bn.

Consafe is 25 per cent owned by the Volvo Industrial Group. It raised a total SKr 340m in a public share issue last year. It has no shareholders outside Sweden. Cash and liquid assets including flotation proceeds, are SKr 640m. The group's largest single market is the North Sea.

The pre-tax result includes SKr 173m in proceeds from the sale of vessels.

SKF expects upturn

BY OUR STOCKHOLM CORRESPONDENT

SKF, the Swedish roller bearing *and engineering group, has report*ed a SKr 53m ($6.7m) decline in profits before exchange movements but after net financial costs to SKr 604m in 1983. The company says the market in roller and ball bearings has bottomed out and "substantial improvements" in profitability are expected for 1984.

Profit per share fell from SKr 12.50 to SKr 11.50, and the board has recommended unchanged dividends of SKr 7 for A shares and SKr 10 for B shares.

Sales and other income totalled SKr 16.9bn, a 13 per cent increase over the previous year. Costs rose at the higher rate of 14 per cent to SKr 14.9bn, and operating income after depreciation fell 15 per cent to SKr 926m.

The group was forced to cut production in the bearings and steel divisions, especially in Italy, and had lengthy periods of short-time working in Germany, France and Sweden. SKF estimates the cost of these measures at SKr 250m.

Instinet stake for Merrill

By Paul Taylor in New York

MERRILL LYNCH, the Wall Street investment bank, has agreed to purchase an 8 per cent stake in Institutional Networks, which operates an automated stock trading service for $6.4m. It will also acquire warrants which, if exercised, would give it an additional 600,000 newly issued shares for $12m, lifting the stake to nearly 18 per cent.

Instinet, a computer-based system, automatically executes stock trades and confirms the trade within about 60 seconds. Currently customers can trade about 3,500 exchange-listed and over-the-counter (OTC) stocks using the system.

Merrill, which makes a market in more than 1,000 domestics and foreign OTC securities, is expected to use the system initially to automate trades in about 100 of these stocks.

Lindt to increase dividend

BY JOHN WICKS IN ZURICH

LINDT & SPRUENGLI, the Swiss chocolate company, is planning an increase in its dividend from SwFr 100 ($46) to SwFr 110 per SwFr 500 shares.

The directors expect to make a one-for-11 rights issue, offering 2,000 new registered shares of SwFr 500 face value at SwFr 5,000 each to raise SwFr 10m. This will increase share capital from SwFr 11m to SwFr 12m.

The dividend increase, the first since 1978, follows a rise in net profits of the Kilchberg-based parent company from SwFr 4.1m to SwFr 4.7m over the year. Group turnover worldwide, including licensees' sales, fell 0.7 per cent to SwFr 581m.

CHANGES IN SWEDEN'S INTEREST RATE POLICY BOOST PROFITS FOR COMMERCIAL BANKS

Lean years ended by interest earnings

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

AFTER a number of lean years the profits came rolling in for the Swedish banks in 1983 in an unprecedented fashion. It was as much *changes in government policy* as the bankers' own efforts that were responsible.

Swedish bankers often claim that the banks are more *strictly* controlled than any other sector of the Swedish economy, so it is hardly surprising that it was the more benign interest rate policy pursued by the Riksbank, the Swedish central bank, last year, that lay behind the 55 per cent rise in commercial banks' operating profits. In 1982 operating profits showed a rise of just 8 per cent.

Interest earnings, which rose 37 per cent, are the banks' biggest single *source* of income, accounting for 69 per cent of operating revenues in 1983 compared with 65 per cent in 1982, but this whole sector of *their business falls under strict con*trols or "recommendations" from the Riksbank.

The central bank regulates both the volume of bank lending and the interest rates that the banks can charge. As for several years past the banks' average rates of interest on lending were not allowed to be more than 4 points above the discount rate – currently 8.5 per cent – and the volume of the banks' Swedish krona lending for purposes *other than house building* was *not* allowed to rise more than 8 per cent.

The squeeze on lending will be even tighter this year with Riksbank guidelines allowing a rise of just 4 per cent as part of the fight against inflation. Controls on lending to households will be particular*ly severe.*

PERFORMANCE OF SWEDISH PARENT BANKS

Bank	Operating profit (SKr m) 1982	Operating profit (SKr m) 1983	Profitability* (%) 1982	Profitability* (%) 1983
S-E Banken	1,105	1,914	14.4	21.2
Handelsbanken	1,186	1,741	17.0	23.0
Götabanken	209	335	11.8	18.4
Sundsvallsbanken	191	233	18.9	20.5
Skanska Banken	141	178	20.9	21.7
Uplandsbanken	100	143	16.4	20.5
Wermlandsbanken	83	127	14.0	19.9
Ostgotabanken	67	89	14.6	17.3
Skaraborgsbanken	60	86	14.5	16.3
Jämtlands Folkbank	10	14	11.3	13.5
Bohusbanken	18	18	19.1	17.6
Total	3,170	4,898	15.6	21.2

* Return on equity capital — Source: Swedish Banking Association

Where the banks made their killing last year was the much better returns they gained on their swol*len portfolios of fixed interest gov*ernment debt built up in recent years as a result of the explosive growth in the central government budget deficit. With two cuts in the discount rate early last year, taking it from 10 per cent to 8.5 per cent, the banks enjoyed a big drop in the cost of funding their state lending, amply compensating for the losses of previous years.

Fee income also showed a healthy, though less dramatic rise of 17 per cent and the banks clearly benefited from booming trade on the Stockholm stock market. In addition the big banks in particular reported encouraging growth in their foreign business helped by the strong recovery in the country's for*eign trading performance.*

At the same time the banks benefited from the moderate level of pay settlements in last year's wage round, which helped to keep labour costs under control. The commercial banks' total costs rose only 14 per cent compared with a rise of 20 per cent in 1982. Personnel costs increased only 9 per cent.

The banks have used their stronger profitability to stow away increased provision for bad debts. The two leading commercial banks, Skandinaviska Enskilda Banken and Svenska Handelsbanken, with the nine main regional banks, increased the sum set aside for loan risks to SKr 1.3bn ($165.5m) last year compared with SKr 706m in 1982.

Net credit losses, particularly in the home market, also jumped last year, however, to SKr 547m ($69.8m) from SKr 377m in 1982. The losses have occurred particularly in the *service sector* in business such as restaurants and boutiques, which have come under increasing pressure in the continuing domestic recession. Swedes' disposable incomes have fallen in each of the last three years.

Inflation, coupled with mushrooming amount of state debt that has been force fed to the banks, has considerably weakened Swedish banks' balance sheets in recent years, but here too, the trend was reversed last year. The growth in equity and reserves more than kept pace with the expansion of bank assets.

The biggest strides were made by Skandinaviska Enskilda Banken *Sweden's leading bank, which in*creased its group operating profit 62 per cent to SKr 2.3bn, while the operating profit of the parent bank jumped by 73 per cent to SKr 1.9bn.

It closed much of the profitability gap on its main domestic rival Svenska Handelsbanken, but Handelsbanken still managed to emerge as the most profitable bank overall with the best return on group equity capital.

Despite such booming profits, S-E *Banken still felt able to freeze* its staff profit-sharing scheme in protest at the Government's forced introduction of wage-earner funds, the system that will cream off corporate profits to finance trade union-controlled investment funds.

S-E Banken could not totally neglect its staff in such a good year, however, and profit sharing has been replaced by a bonus system based on the relationship of the bank's costs and increases in its fee income.

Interim profits soar at G. J. Coles

BY MICHAEL THOMPSON-NOEL IN SYDNEY

G. J. COLES, Australia's biggest retailer, saw a 27.7 per cent gain in interim net profit for the six months to December 31, to A$57.5m (U.S.$54.1m), and has raised its interim dividend from 6.5 cents a share to 7.5 cents.

Sales were 20.8 per cent higher, at A$2.76bn. Mr Brian Quinn, chief executive, said: "The company traded well in all divisions, and in all parts of Australia." There had been a "noticeable and worthwhile return of consumer confidence."

Since last August, Coles has opened 25 new stores, and closed 13 others.

Pre-tax profit was 29 per cent higher, at A$108.7m. Tax took A$51.2m (A$39.2m), while earnings per share were 22.81 cents (22.33 cents).

● Howard Smith, the industrial and resources group, saw a 6.5 per cent fall in net profit for the year to December 31, to A$16.3m. A final dividend of 17.5 cents a share makes a total of 22.5 cents (unchanged).

The group saw an extraordinary profit of A$64.2m on the sale of its shares in Broken Hill Proprietary and Adelaide Steamship Company. Net asset backing rose from A$2.81 per share to A$3.60 per share.

● Bell Resources, the vehicle being used by Mr Robert Holmes à Court to mount a determined drive into the Australian resources sector, owns some 1.5m shares in Weeks Petroleum, some 3.4m shares in Weeks Australia and some 5.9m shares and 2.3m options in Broken Hill Proprietary (BHP).

The information is contained in a memorandum being sent to BHP shareholders in connection with Bell Resources' latest tender offer, which could yield it an additional 5m-6m BHP shares.

Under an agreement between BHP and Bell Resources following a court action by BHP, shareholders wishing to withdraw from the offer must notify Bell Resources by 3 pm Perth time on March 12.

Earnings rise 13% at Gulf International

By Mary Frings in Bahrain

GULF INTERNATIONAL Bank, which was set up in Bahrain seven years ago by the governments of seven Gulf states, has announced a 13.3 per cent improvement in profit for 1983 from U.S.$50.8m to $57.5m.

But a 20.7 per cent increase in total assets, from $6.16bn to $7.44bn, brought the return on average assets ratio down from 0.95 to 0.85 per cent.

Full financial statements are not yet available, but the bank said yesterday loans amounted to $4.04bn, compared with $3.34bn a year earlier (up 20.7 per cent) while deposits stood at $6.47bn against $5.42bn (up 19.6 per cent).

Total shareholders equity amounted to $447m, of which paid-up capital of $339.5m is contributed equally by Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

GIB is paying an improved dividend of $3.395m per shareholder state. This is equivalent to a 7 per cent return on investment, compared with 5.5 per cent in 1982.

● Al Ahli Commercial Bank improved net operational earnings by 55 per cent in 1983 to reach BD 2.4m (U.S.$6.3m).

Al Ahli is the smallest of the three locally-owned domestic banks in Bahrain, with year-end assets totalling BD 136.7m, up 18 per cent on the previous year. Return on average assets increased from 1.4 to 1.87 per cent.

Current, savings and time deposits in local and foreign currences rose by 35.8 per cent to BD 110.3m. Loans, after provisions of BD 1.3m for possible losses, showed an increase of 5 per cent to BD 82.6m.

Good first half at Carlton and United Breweries

BY OUR SYDNEY CORRESPONDENT

AUSTRALIA'S Carlton and United Breweries, now an 84 per cent controlled subsidiary of Elders-IXL, scored a 9.6 per cent improvement in net profit in the six months to December 31, to A$33.4m (U.S.$31.4m), on turnover 27.8 per cent higher, at A$650m.

Earnings per share were 13.2 cents, against 15.9 cents previously, allowing for the 42.05m new shares created in the first half of 1983-84 via a 1 for 5 rights issue to help fund the A$160m acquisition of Tooth's brewing facilities in New South Wales.

CUB has declared an interim dividend of 6 cents a share, the same as in the second half of 1982-83.

Under changed accounting procedures introduced since Elders took control, there was an extraordinary loss of A$15.7m, but the sale of SUB's estate in Tasmania's Cascade Brewery produced a bonus of A$4.7m.

Acquisition of the Tooth facilities in NSW is expected to bolster future profits, CUB said yesterday.

Elders' efforts to gain full control of CUB are being frustrated by the Singapore-based Overseas Chinese Banking Corporation (OCBC), which together with affiliates has an estimated 12 to 13.5 per cent of CUB's capital.

Elders is Australia's biggest rural and trading group. It needs 90 per cent of CUB (Australia's biggest brewer) before it can compulsorily acquire the remainder and incorporate the entire brewing operation under the Elders banner.

● Mr John Elliot, Elders' chief executive, said yesterday the group had applied for an Australian banking licence last December, but that it might withdraw its application if the government limited shareholdings in new banks to 50 per cent.

Income plunges at Sentrachem

By Our Johannesburg Correspondent

SENTRACHEM, South Africa's second largest chemicals group, saw its pre-tax profit for the six months ended December 31 fall to R17.9m ($14.9m) from R36.4m. Turnover rose fractionally to R385.8m from R382.4m.

The year ended June 30 1983 resulted in a pre-tax profit of R70.6m and a turnover of R699.9m.

The company blamed the fall in interim profit mainly on the Afprene synthetic rubber plant. Its outlook has improved with the recent introduction of high import duties on natural rubber.

In addition to problems in the plastics division, the group's farm products divisions have been badly affected by drought.

An unchanged interim dividend of 8 cents has been declared, although per share earnings fell to 17 cents from 27.7 cents. Earnings totalled 56.6 cents a share in the year ended June 30 1983 and a total dividend of 18 cents was declared.

Mamiya on verge of collapse

BY TERRY POVEY IN TOKYO

MAMIYA CAMERA, the specialist camera maker, appears to be on the verge of collapse. It is owed more than Y5bn (US$21.4m) in bad debts by J. Osawa Trading—the company which on Wednesday applied to the Tokyo courts for protection from creditors.

As the extent of the Osawa collapse and its consequential effect on Mamiya became known, the Tokyo stock exchange was hit yesterday by a wave of sell orders—particulary of camera-related stock. The Nikkei-Dow Jones Index fell 110.43 points, closing at 9,920.27, below the psychologically important 10,000.

Mamiya is well known among professional photographers and has sales of about Y16bn a year, 68 per cent of them overseas. It has marketed all its exports through J. Osawa, which also held a 30 per cent stake in Mamiya before a rights issue in February.

Osawa's collapse has put Mamiya's survival gravely in doubt, although a white knight in the form of the aggressively expansionist Cosmo 80 group may yet come to the camera maker's aid. Last month a Cosmo 80 subsidiary took a 12.5 per cent stake in Mamiya.

Mr Hokao Ishida, president of Mamiya, said yesterday that his company will shortly be applying to the courts for protection and has been unable to pay bills due. Total debts of Mamiya are estimated at Y25bn.

Lex, Back Page

Michael Cassell reports from New York on a $1.6bn redevelopment plan

Squaring up to the Times

Times Square: "Crossroads of the world"

TIMES SQUARE, the undisputed "crossroads of the world" before it surrendered its ritzy reputation to the drug dealers and down and outs, is on the way back up.

In a combined onslaught designed to rid Manhattan of one of its biggest embarrassments, public and private interests are joining forces to create a fresh environment at the point where Broadway and Seventh Avenue meet on their way downtown.

The $1.6bn plan is big enough even to impress New Yorkers. It is perhaps the biggest single remaining opportunity to redevelop and rejuvenate a chunk of Manhattan real estate.

Everyone, from New York State Governor Mario Cuomo and the city's Mayor Edward Koch down, has been getting in on the act, anxious to portray the Times Square revival as a symbol of New York's tireless ingenuity and unflagging optimism.

The hope is that the square, where prohibition was seen out and new presidents and new years have traditionally been seen in, will again be a place to visit rather than an eyesore to avoid.

There are some who voice their doubts, like Herbert J. Gans, Professor of Sociology at Columbia University, who says he does not like the idea of some people being involuntarily relocated for the benefit of others.

The elimination of action-movie houses, he claims, would be "a true injustice" and the noxious elements which have made Times Square their own disreputable domain will simply move elsewhere, perhaps to Greenwich Village.

Most people, however, believe that if the ambitious plans now under way to rid the square of the porn merchants, prostitutes, gold chain snatchers and hustlers who make a night out at the theatre a risky business, then it can only be a good thing.

The Times Square redevelopment project, which involves close co-operation between the state, the city and the private development sector, entails the sweeping demolition of the best part of four city blocks, covering more than 10 acres of midtown land.

The site stretches from 40th Street to 43rd Street, between Broadway and 8th Avenue, and includes a large parcel of land on the east side of Broadway between 42nd and 43rd Streets. At the scheme's heart will be four new office towers providing just over 4m sq ft of floorspace, a 2.4m sq ft wholesale trade mart and a 500-bedroom hotel. Nine cinemas will be renovated as part of the plan.

The office accomodation is to be developed by Park Tower Realty, one of the New York's busiest and most impressive development companies, which was selected from 24 competitors.

George Klein, president of Park Tower, usually prefers to keep a low profile in his Park Avenue penthouse, but enthusiasm for the Times Square plan overcomes his reticence: "We are talking about a location which no-one can beat. Times Square is at the centre of the world's largest transportation hub. Every subway passes beneath it, both Grand Central and Penn stations are three minutes away and the Port Authority bus terminal is on the doorstep."

Mr Klein says the big clean-up – which will entail the compulsory demolition of about 40 buildings and the removal of hundreds of individuals tenants and owners – represents the most important initiative of its type since Rockefeller Center was developed in the 1930s.

"People forget that the area around Rockefeller was full of rundown flop houses and crawling with vagrants. That development transformed the locality into a major business centre and we intend to repeat the trick in Times Square."

Although location is a major factor in the scheme's favour, there are other advantages which give it a head start.

The New York State Urban Development Corporation is assembling the site under its powers of condemnation – acquiring first and discussing terms later. It will then provide 99-year leases on what Park Tower says are very reasonable terms. In addition, the developer will pay no real estate taxes.

New York's Times Square may be best known as a centre of vice in the city, but it also stands at the hub of the world's largest transport system. Now, a 10-acre site centred on the square is to be redeveloped to provide 4m sq ft of floorspace in the heart of Manhattan.

Park Tower will have to pay a base rent in lieu of taxes but these will start at under $4 a sq ft, compared with as much as $12 currently payable on other new Manhattan schemes.

Mr Klein reckons the deal means his company will be able to let office space at 30 per cent to 40 per cent less than comparable midtown rents. As an extra lure, there will be a ceiling on annual tax increases for tenants over the first 15 years.

Park Tower says the special terms mean that a tenant taking 1m sq ft of floorspace at Times Square could save $400m over a 15-year period because of lower land costs and real estate taxes.

The plan forms only a part of a localised revival which seems to embrace most of 42nd Street including the United Nations assembly building in the east.

The street has probably undergone the greatest revitalisation of any single Manhattan address in recent times, helped by developments such as the Philip Morris headquarters and the Time-Life building, as well as the renovation of famous landmarks like the Chrysler building. The nearby McGraw-Hill building, one of the most famous Art Deco skyscrapers, stood empty a few years ago, but is now fully leased.

In the vicinity, where theatres like the Shubert, the Booth and the Broadhurst offer more tasteful recreational pursuits than some of their newer neighbours, there are several hotels taking shape. Nearby, the state-financed convention centre – offering 750,000 sq ft of floorspace on one level – is under construction.

According to Glenn Whitmore, a vice-president of Coldwell Banker, the real estate brokers: "The 42nd Street area represents a new option on the island and its comprehensive improvement means that it will become an increasingly acceptable and convenient location for many businesses."

The view is shared by Simon Milde at Jones Lang Wootton, who says nearly all the obvious sites in Manhattan have been developed and the revival of the Times Square area, helped by heavily discounted office rents, will go a long way to meeting Manhattan's future floorspace requirements.

But a few real estate experts are cautious about a successful outcome for the Times Square area. They point out, for example, that an excellent network of subway routes is of questionable advantage if fewer and fewer people are prepared to use them.

At the same time, potential occupiers attracted by the rental levels might, so the argument goes, decide to opt for comparatively priced space in more desirable locations.

Others simply suggest that the time it takes to revive the district and, more specifically, the time required to fill Park Tower's new office space, could be longer than many people are prepared to admit.

In the words of one local broker: "The Empire State Building was empty for ten years and, whatever they say about location and communications, there is no way that Times Square is in the same office-location league."

It is arguable whether comparisons with Harry Helmsley's "tower de force" on Fifth Avenue are reasonable, but a glance downtown should dispel any doubts about Manhattan's ability to surprise.

When Olympia and York announced that it intended to develop no less than 8m sq ft of office space on a reclaimed site in the shadow of the World Trade Center there were plenty of people who believed the adventurous Canadians had finally bitten off more than they could chew.

But the World Financial Center is now quickly taking shape and it appears that the mammoth scheme is already well on the way to being fully let, at rents equal to any being achieved for comparable chunks of downtown space. Tenants like American Express, City Investing and Dow Jones have given the scheme a good start and, although it has yet to be confirmed, it is understood that Merrill Lynch is about to sign up for not less than 2.3m sq ft of floorspace in the waterfront development.

After a fall of as much as 20 per cent in rental levels, modest increases have put rents back to their 1981 levels and the prospect of rising demand and declining available floorspace has most analysts predicting further growth in 1984.

With minimal vacancy rates already evident and with every indication that demand for floorspace is to rise further, some brokers are predicting that in two years top midtown rents, which are now hovering around the $50-a-sq-ft level, will rise to $80 a sq ft.

Most people expect, and want, something much less dramatic. They remember the last price spiral which, by the time it had finished in late 1981, had seen rents rise three and fourfold.

The consensus is that such wild excesses are bad for the market, though it must be said that they tend to be pretty good for some of the developers and investors.

There are numerous private individuals controlling property portfolios valued in billions of dollars and it seems only right that they are now recycling some of that money by buying up the $1m to $4m apartments recently developed in the smarter parts of town.

UK COMPANY NEWS

Royal bounces back in final quarter

A RETURN to a more normal pattern of operation in the final quarter of last year, after a poor third quarter, enabled Royal Insurance to achieve a slight improvement in pre-tax profits for 1983 of £98.4m against £96.5m.

Lower tax charges and minority interests saw net profit attributable to shareholders rise by just over 8 per cent from £72.9m to £79m, with the earnings per share advancing from 38.7p to 41.9p.

There is a 7.5 per cent increase in dividends for 1983, from 26.5p to 28.5p, with a final payment of 18p (16.5p), together with a one-for-one scrip issue.

Worldwide general insurance premium income rose by over 12 per cent in sterling terms from £1.7bn to £1.91bn, but the underlying growth was only 3½ per cent.

Worldwide underwriting losses climbed from £166.1m to £209.6m, a loss that was not covered by the investment income earned on general insurance operations, which totalled £204.3m.

But, the investment income on capital and reserves of £75m against £60.5m, life profits up from £13.6m to £17.5m and a £11.2m (£7.7m) share of associated companies profits lead to the pre-tax improvement.

The value of capital and reserves advanced from £1.23bn to £1.42bn during 1983, with the solvency margin rising from 68 per cent to 73 per cent. The group intends to bring into the capital and reserves a value for the long-term business, at present excluded. A firm of outside consultants has been employed to value the long-term business.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Arnott Dublin	5.5	June 29	5.5	10	10
Consultants‡	4.2	May 4	3	6	3
Courtney Pope ......int	2	May 18	1.6	—	4.8
DJ Security‡	1	Mar 29	—	1	—
Kennedy Brookes‡	0.88†	—	0.7	1.4†	1.23
Law Debenture	2.75	Apr 14	2.5	4.75	4.5
Mitchell Cotts ......int	1.5	May 8	1.5	—	3.62
Ratcliffs (Gt Bridge)	1	—	1	1.75	1.75
Royal Insurance	18	—	16.5	28.5	26.5
W. N. Sharpe	7.5	Apr 27	5	12	9

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

In the U.S., which accounts for 42 per cent of Royal's business, premium income, including that of Milbank Insurance Company, was marginally lower in dollar terms. The operating ratio dropped from 111.1 per cent to 114 per cent.

The deterioration was mainly attributable to a substantial worsening in the workers compensation and general liability accounts.

This more than offset the improvements coming through slowly in the other main classes, particularly commercial multi-peril and automobile business, following the remedial action taken. Personal lines showed a better underlying trend, with a positive underwriting balance being achieved in the final quarter.

The U.S. account was hit by weather losses, including hurricane Alicia, which climbed from US$43m to US$53m. The company's firm underwriting and pricing action has been maintained. But, this has resulted in a slight loss of market share from 1.17 per cent to 1.13 per cent in the absence of general price firmness in a very competitive market.

Royal's UK business showed a useful overall improvement with premuim income climbing by over 7½ per cent from £494.6m to £533.1m. Householders business showed a small underwriting profit in 1983, despite a 25 per cent rise in the cost of theft claims. This account benefited by a somewhat lower level of weather losses of £32m against £46.5m in 1982. However, last year's weather costs are much higher than in 1980 and 1981.

The motor account showed a reduced loss of around £1m from around £4m in 1982, even though numbers of claims were up 4 per cent. Premium volume remained unchanged, the 7 per cent general increase in premium rates last May being offset by the introduction of widespread special schemes charging lower premiums.

There were signs of stabilisation of premium rates in UK commercial insurance business, but experience remained adverse last year. The company was hit by some large fire claims in the third quarter.

The company had a very poor experience in the final quarter *in Canada*, being hit by the severe Arctic weather. Underwriting losses rose from £18.1m to £20.6m, including a once off C$8m of reorganisation costs.

This turnaround follows two years of good results in Canada with the result that premium rates have become out of line especially in automobile business.

Underwriting losses in Australia were cut from £7.9m to £3.2m, a loss that arose mainly from the widespread bush fires at the beginning of the year. There has been a significant improvement in the account with a marked reduction in the expense ratio. Premium growth was particularly strong in commercial business.

Premium income fell by 5.7 per cent in the Netherlands due to the intensely competitive market conditions, with underwriting losses virtually unchanged. The deterioration in motor business was offset by an improvement in most other lines.

There was an overall deterioration in operations in the rest of the world and in the reinsurance business.

See Lex

Profits boost for Polytechnic Marine

In the first set of interim results since its shares were placed on the Unlisted Securities Market, Polytechnic Marine has reported a 23 per cent growth in pre-tax profits for the half year to November 30 1983.

On turnover up 30 per cent at £1.92m (£1.48m), this navigational satellite receiver maker made £425,000 (£345,000) which, after tax of £221,000 (£179,000) and an extraordinary item of £108,000, representing the cost of placing shares on the USM in August, left a retained profit 42 per cent down at £96,000 (£166,000).

Earnings per share are shown as 2.3p (1.8p) and the board intends recommending a final dividend of 2p net (2.86p gross) for the year to May 31.

Mr Michael Perry, chairman, says the company has increased research and development to broaden its product range.

It expects to sell the first receivers for use in the Global Positioning System of navigation this year.

The order book shows the company can sustain its growth

No sector growth foreseen but Tavener optimistic

FOR THE first time since 1977, Tavener Rutledge, a manufacturer of sugar confectionery, achieved taxable profits in both half year trading periods.

Following a return to the black at the interim stage, the company achieved profits of £60,000 in the second half for a 1983 total of £112,000. This compares with a £219,000 loss in the previous 12 months.

The improvement says Mr W. H. Tavener, chairman and managing director, has been achieved by "increased efficiency at all levels" despite the "very depressed conditions" in the sugar confectionery trade.

However, he does not anticipate any growth in the company's sector even if the general economic situation improves.

But, as the company continues to improve efficiency and operate from a lower cost base, he foresees better opportunities in both sales and profitability.

This, he says, enables the company to look forward to the future with "more optimism" than for some time.

There is still no dividend payment, the last being a 2.904p final in 1977.

While there was only a modest increase in turnover during the year from £7.19m to £7.47m operating profits emerged some thirteen-and-a-half times higher at £246,000 against £18,000, equal to a profit margin of 3.3 per cent (0.2 per cent).

Profits at the taxable level benefited from both a reduction in interest charges from £160,000 to £134,000 and the absence of exceptional debits this time. Last year exceptional debits amounted to £76,000.

There was again no tax charge enabling the company to show profits at the attributable level for only the second time in six years. Earnings per share of 5.5p compare with losses of 10.8p.

In the annual report accompanying the results, shareholders funds as at December 31 1983 were shown as £1.32m (£1.24m) of which reserves accounted for £507,043 (£394,657). Loans stood at £233,436 (£247,114) and short term borrowings amounted to £595,175 (£888,864).

Working capital decreased by £261,000 (£264,000) during the year.

L & G hoists reversionary bonus rates

Legal and General Group, Britain's second largest life company, is making substantial increases on its 1983 reversionary bonus rates in respect of personal retirement plans, lifting it 50p to £5.50 per cent of the basic benefits and attaching bonuses.

On ordinary life assurance the reversionary bonus rate for 1983 remains at the 1928 level of £4.30 per cent of the sum assured and £5.80 per cent of *attaching* bonuses. The benefit of the investment performance is given to policyholders as higher terminal bonuses on claims. For normal assurances this is lifted from 60 to 67.5 per cent of attaching bonuses.

The terminal bonus rate on the Cashbuilder savings plan is increased from 45 to 50 per cent of attaching bonuses, while on personal pension contracts it rises from 55 to 65 per cent.

Mr Ted Tilly, L and G's life assurance director repeated his warning that if interest and inflation rates remained low or fell further, there could come a time when life companies would have to cut their bonuses rates.

Kennedy Brookes jumps to over £1m

A NEAR DOUBLING of profits and an increase in the final dividend has been announced by Kennedy Brookes, a restaurant and hotel concern.

Pre-tax profits expanded from £565,000 to £1.1m, in the 52 weeks to October 30 1983. The final dividend, of this USM stock, is *lifted to 0.875p, against 0.7p, for* a higher total of 1.405p compared with 1.225p.

Nearly all sections improved both sales and profit margins and the results only included one week of trading from Wheeler's Restaurants acquired in October.

At the interim stage profits were £206,000 higher at £395,000 on turnover of £4.31m against £3.23m.

If present trends continue, the directors expect sales of the enlarged group to exceed £22m for the current year.

Throughout 1982/83 the company concentrated on growth and the results, the directors say, will benefit the current year. However, they point out, most will not affect profits until 1984/85.

They say that among the most important projects are the planned development and opening of the Trocadero site through a subsidiary and the franchising of both the Wheeler's and Mario and Franco's restaurants.

Earnings per share on the capital enlarged by the Wheeler's acquisition rose from 17.64p to 22.39p. There was a tax charge this time of £214,000 and an extraordinary debit of £35,000 (credit £74,000).

● comment

Kennedy Brookes has come a long way in a short time under its quick-fire acquisition policy. From being an undistinguished *purveyor of fast foods only two* and a half years ago, it is now the largest up-market restaurants chain in the country, having tucked under its belt the likes of Mario and Franco, Genevieve and — more recently — Wheelers. These acquisitions, along with its full listing, have clearly been well timed because trade has been looking up of late—and there is nothing that boosts margins more than full restaurants. Although Wheelers' recent track record has not been inspiring, the Kennedy Brookes association will no doubt be a tonic and on the basis that margins will continue to improve, the £22m sales forecast could be turned into profits approaching £2m this year. Longer term, there are appetising plans to franchise Mario and Franco and Wheelers in other parts of the country. At 228p the shares stand on a fully taxed p/e of 16 but Kennedy's tax charge is unlikely to be anything like that.

D.J. Security

Compared with the prospectus forecast of not less than £200,000 pre-tax profits of DJ Security Alarms totalled £210,000 for the 12 months ended October 31 1983. The dividend is 1p net per 10p share, as foreshadowed.

The company has a strong liquid position following last October's share placing on the USM and the directors look forward to the current year's results with "considerable confidence."

Earnings for 1982-83 adjusted for the sub-division and capitalisation emerged at 5.67p (3.43p) per share fully diluted and at 32.62p (21.46p) undiluted. For 1981-82 the group earned pre-tax profits of £115,000.

Gasco re-listing

Gasco Investments, the Hong Kong-based company controlled by Mr Jim Raper, is expected to seek a Stock Exchange re-listing locally within the next one to two weeks.

The prospect is currently being considered by Hong Kong's Securities Commission, and by the Kam Ngan and Far East stock exchanges, on which Gasco hopes to trade. The company was delisted earlier this month at its own request from the Hong Kong Stock Exchange, following several years of suspension.

The Gasco listing would be effected by a public offering of 18 per cent of its stock. Controlling interests led by Mr Raper, Gasco's chairman, at present hold some 92 per cent of Gasco.

W. N. Sharpe

A pick up in the second half of 1983, which saw pre-tax profits rise from £2.54m to £3.17m, left the full year outcome at W. N. Sharpe Holdings, greeting card manufacturer, only marginally *lower at £4.92m against £5m.*

This was struck on an increase in turnover from £15.91m to £17.51m over the 12 months and included a £710,000 (£929,000) contribution from investment income.

After tax of £2.46m (£2.14m), earnings per 25p share came through at 33.5p (39p) and the total dividend is being increased from 9p to 12p with a final payment of 7.5p net.

Lonrho

Mr Roland "Tiny" Rowland, chief executive of Lonrho, the international trading conglomerate, has gained formal permission from the Mozambique Government to operate Lonrho's Beira-Mutare pipeline.

The agreement was signed by Mr Rowland and Mozambique's finance minister. The 180-mile pipeline supplies all Zimbabwe's oil.

VW Thermax

The comparative figures given by VW Thermax in its profit announcement for the six months ended December 31 1983 were in respect of the previous full year ended June 30 1983 and not the comparable 1982 interim period.

Mitchell Cotts improves as UK growth continues

AN INCREASE in interim profits was achieved by Mitchell Cotts despite disappointing results from both South African and Australian operations.

Mainly reflecting continuing growth in the UK, group pre-tax profits for the six months to end-December 1983 moved ahead from £2.68m to £3.45m on lower turnover of £189.4m against £206.71m.

At home, the engineering group returned to profit and there was a "noteworthy expansion" in Mitchell Cotts Chemicals, the directors say.

Although the directors cannot foresee an immediate recovery in either South Africa or Australia, they expect the improving trend of UK profits to continue.

Elsewhere, they say the Kenyan estates should benefit from relatively high tea prices. Uganda is expected to make a *modest* contribution to the full year's results, they add, although no credit has been made at this stage for any possible profits arising from the rehabilitation of tea there.

Because of the difficulties being experienced in South Africa and Australia, the company has extended its rationalisation programmes. These include some property disposals, profits from which will, to a large extent, offset the costs of closing unprofitable operations.

Overall, Mr P. P. Dunkley, the chairman and chief executive, feels he can fully endorse the conclusion of his statement in last year's accounts that he would expect profits for the year as a whole to show an improvement over last year. Also, he says the company should be well on the way to achieving planned objectives.

As expected, the emphasis on UK profits has led to reduced tax in percentage terms and earnings per share have benefited accordingly.

Tax for the period took £1.95m (£1.81m) leaving a net surplus of £1.5m (£863,000). Minorities totalled £188,000 (£6,000). The interim dividend is held at 1.5p net—earnings per share were 1.81p (1.17p).

● comment

The profit recovery at Mitchell Cotts is better than it looks at first sight, since last year's interims contained a £1m windfall benefit on currency conversion of South African dividends. The big question, though, concerns the progress of the grand strategy—to turn the company from a sprawling, failing conglomerate into a tighter UK-based engineering and transport group. The news here is rather mixed. Heavier reliance on UK earnings this year is partly by default, given that last year's collapse in South African profits has yet to be reversed; indeed, the pruning of South African operations may yet have further to go. And a good chunk of this year's profit improvement comes from the soaring tea price—just the kind of low-quality earnings that Mitchell Cotts might wish to move away from. But the UK businesses are on the mend, and the longer-term prospect of an upturn in the South African economy should help to safeguard the dividend. Full year pre-tax should be around £9.5m, which puts the shares—unchanged at 58p—on a prospective actual tax multiple of 10.6 The yield is 9.1 epr cent—just double the market average.

USM quotation for Powerline

BY ALISON HOGAN

Powerline International is putting on the line its management's ability to maintain a fast moving performance when it joins the USM with an offer for sale of 32 per cent of the equity at 160p a share.

The issue gives the company a £17m price tag and a demanding earnings multiple of nearly 30 based on a forecast of doubled profits to £1.2m pre-tax made *only two months into the financial year.*

Derrick Taylor, chairman of Powerline, which provides tailor made electronic power supplies is confident that the company can earn £1.2m in 1984 compared with £503,000 in 1983. Sales have increased nearly tenfold since the company was set up in late 1979 and the order book is firm six months ahead. Margins never fall below 30 per cent and can rise comfortably over that.

The company has several key suppliers led by Astec, Power One and LH Research, in addition to Europower in which Powerline has a 50 per cent stake

Powerline's strength is to work closely with customers as varied as Boots and Cementation, IBM and Unilever, designing power supplies to suit their specific requirements.

The total UK market is growing at a rate of 30 per cent a year and Mr Taylor hopes to have 10 per cent of the £100m market "in the not too distant future."

Kleinwort Benson is offering 3,443,762 shares of 5p each at 160p per share, of which just over 1m shares are new, raising £1.59m for the company. Mr Taylor and his co-founder Larry Tracey will control around 50 per cent of the company after the issue.

At 160p per share the prospective PE fully taxed is 29.6 times and the forecast dividend of 1.4p net will be covered 3.9 times.

James Capel are brokers to the issue. Applications open on Thursday March 8.

● comment

Derrick Taylor and Larry Tracey set themselves some demanding targets when they established Powerline International at the end of 1979, like doubling sales each year which they have succeeded in doing, and coming to the USM in three years. (They are just a few months late deciding to wait for 1983 figures and a 1984 profits forecast.) A move up to a full listing will probably follow within a couple of years. The performance is impressive and the prospects look good. Powerline has assembled an enthusiastic team—Taylor says he has not lost a single employee yet. The company seems confident that suppliers will increasingly turn to distribution companies like Powerline to market their equipment and no supplier besides Europower accounts for more than 16 per cent of turnover. European links should provide further medium term growth. All these factors have been taken into account in setting the quite demanding PE of just under 30. Kleinwort is unlikely to be left with any of the issue given the popularity of the sector, but the price doesn't leave much for the after market.

NOTICE OF REDEMPTION

International Harvester Overseas Capital Corporation

5% GUARANTEED DEBENTURES DUE 1986

Due April 1, 1986

NOTICE IS HEREBY GIVEN, that in accordance with the applicable provisions of the Indenture between International Harvester Overseas Capital Corporation and International Harvester Company, Guarantor, and The First National Bank of Chicago, Trustee, dated as of April 1, 1966, as amended by a Supplemental Indenture dated Novemeber 30, 1976, Chicago, Title and Trust Company, as Successor Trustee, has drawn for redemption on April 1, 1984, through the operation of the Sinking Fund provided for in the said Indenture, $457,000 principal amount of Debentures as follows:

$1000 Bearer Bonds with Prefix M

51	1321	2268	3403	4251	5024	6024	6829	7759	8505	9421	10148	10853	11461	12121	13229	14050
149	1360	2283	3468	4256	5051	6046	6879	7770	8513	9455	10187	10860	11520	12247	13378	14069
252	1402	2353	3473	4262	5148	6137	6881	7805	8573	9460	10273	10881	11532	12318	13389	14088
322	1410	2373	3511	4285	5209	6138	6882	7849	8574	9476	10276	10886	11533	12347	13404	14110
346	1427	2376	3514	4292	5242	6152	6928	7871	8577	9479	10342	10914	11591	12425	13433	14131
370	1458	2387	3536	4410	5314	6178	6941	7911	8632	9498	10383	10972	11621	12442	13458	14172
377	1471	2477	3579	4439	5321	6221	6947	7919	8663	9502	10400	10981	11648	12459	13491	14202
379	1522	2538	3584	4445	5323	6226	6970	7945	8672	9552	10416	10987	11651	12477	13521	14247
382	1587	2543	3619	4454	5354	6240	6971	8006	8701	9619	10469	10988	11655	12481	13596	14369
551	1625	2547	3674	4490	5397	6251	7031	8081	8742	9730	10507	10996	11665	12515	13601	14470
563	1627	2551	3812	4508	5400	6330	7108	8095	8802	9766	10609	11045	11674	12606	13633	14526
639	1638	2577	3932	4526	5455	6340	7121	8111	8813	9784	10618	11107	11682	12697	13668	14602
669	1667	2693	3961	4563	5469	6513	7134	8132	8914	9787	10620	11130	11718	12779	13672	14658
675	1915	2936	4000	4621	5473	6552	7135	8139	8945	9800	10624	11158	11771	12838	13704	14660
715	1930	2989	4129	4650	5583	6553	7139	8145	8946	9815	10630	11172	11795	12845	13727	14673
767	1933	3007	4141	4654	5611	6569	7153	8149	8954	9857	10642	11184	11890	12897	13756	14674
896	1946	3030	4153	4690	5617	6574	7204	8210	9036	9883	10662	11188	11896	12911	13820	14679
917	1964	3038	4161	4753	5637	6592	7278	8214	9071	9961	10680	11227	11914	12936	13821	14761
1076	1974	3189	4165	4777	5676	6616	7506	8251	9095	9971	10700	11261	11915	12976	13867	14810
1110	1989	3196	4176	4824	5685	6639	7523	8254	9124	9977	10730	11287	11918	13120	13873	14934
1133	2026	3210	4188	4839	5727	6648	7532	8268	9181	9983	10740	11294	11931	13131	13894	14937
1225	2085	3214	4191	4844	5751	6649	7619	8284	9202	10033	10753	11296	11958	13149	13913	14941
1230	2125	3218	4204	4955	5874	6661	7677	8292	9217	10059	10765	11321	11978	13150	13920	14975
1242	2129	3299	4213	4958	5885	6665	7707	8350	9315	10088	10791	11329	11981	13198	13931	15001
1257	2202	3320	4220	4961	5892	6716	7728	8431	9377	10110	10797	11347	11989	13201	13986	15003
1274	2239	3345	4229	4966	5945	6754	7744	8467	9383	10131	10803	11357	12011	13217	13995	
1300	2257	3348	4247	4998	6012	6824	7751	8477	9420	10141	10843	11439	12033	13226	14002	

The Debentures specified above, are to be redeemed for the said Sinking Fund at the offices of the Principal Paying Agent of the Company, being, The Chase Manhattan Bank, N.A., Corporate Bond Redemptions, P.O. Box 2020, One New York Plaza, 14th Floor, New York, New York 10081, the main offices of The Chase Manhattan Bank, N.A. in London, Paris, Frankfurt, the head office of Societe Generale de Banque S.A. in Brussels, the head office of Amsterdam-Rotterdam Bank, N.V. in Amsterdam, the office of Banca Commerciale Italiana in Milan and the office of Banque Generale du Luxembourg as the Company's paying agents, and will become due and payable on April 1, 1984, at the redemption price of 100 percent of the principal amount thereof, plus accrued interest on said principle amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

Payment will be made upon presentation and surrender of said Debentures at any of the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date. Said Debentures are being redeemed for the Sinking Fund.

February 29, 1984

Chicago Title and Trust Company, as Trustee

BIDS AND DEALS

Duckham disposes of works at Aldridge

Alexander Duckham, the lubricating oil manufacturer, has sold its Aldridge works to its immediate holding company, BP Oil, for £4.3m in a rationalisation move 'forced on the company by overcapacity in the UK industry, decline in the lubricants market and aggressive competition."

After selling the works, which employs 110 people, along with assets at its Hammersmith and Manchester depots, and stocks of lubricants, Duckham has generated a cash injection amounting to £7.3m.

BP Oil said yesterday "despite the efforts of both companies to reduce costs, the profitability of lubricants sales has been reduced to the point where continuing losses have been incurred."

In the six months to June 30 1983, Duckham reported a pre-tax profit of £575,000, which compares with a half-time loss in 1982 of £110,000. BP's trading figures for 1983 are due in about a month.

Rationalisation "will enable both companies to achieve maximum efficiency, and return lubricants operations to profitability," BP Oil said. They added that Alexander Duckham would continue as an independent company, selling motor oils under its own brand name.

Border Breweries attracts a third potential bidder

BY CHARLES BATCHELOR

A THIRD potential bidder for Border Breweries (Wrexham) emerged yesterday. The unnamed company is in an advanced stage of talks which could lead to it making a recommended offer, Kleinwort, Benson, Border's advisers said.

The bidder appears set to scoop Border from under the noses of Forshaws Burtonwood Brewery, which put in a £9.4m cash bid for Border on February 17, and Marston, Thompson & Evershed which has built up an 8.19 per cent holding in Border.

Border's shares, which were trading at 112p before it first announced bid talks had begun, rose a further 25p to 240p yesterday, valuing the company at £12.9m. Marston shares were unchanged at 65p while Forshaw's were also unchanged at 355p.

Kleinwort said that it had announced the advanced stage of the talks yesterday to prevent shareholders starting to sell their shares in the market.

Whitbread, the London-based brewing group, and its investment trust arm hold 19.6 per cent of Border and 35 per cent in Marston, but Whitbread would back any bid which was acceptable to the Border board, a spokesman said.

The rival bidding for Border signifies the possible start to a restructuring of the regional brewing sector, one ananlyst commented.

Local breweries have been regarded as glamour stocks in recent years but many of them, such as Border, have not had good profit records and have not benefited from the real ale boom.

The large brewers are best placed to benefit from the increase in demand for lager and also have the financial muscle to revamp their pubs so as to appeal to younger drinkers.

Monopoly considerations will prevent the large brewers from buying up the smaller companies but mergers among the regional brewers could well take place.

There are more than 40 regional breweries in the UK.

Bairstow pays £1.9m for Peter Rainbow

Bairstow Eves, the estate agency listed on the Stock Exchange, is acquiring Peter Rainbow and Associates, the mortgage, insurance and financial services company for £1.89m.

It is expected that, following the Rainbow acquisition, the total amount of mortgages arranged by Bairstow on behalf of house purchasers in 1984 will be in excess of £200m.

Rainbow has specialised in services to house purchasers since its inception in 1967. It also conducts a "substantial" general insurance broking business.

The consideration for the acquisition is payable in Bairstow Eves ordinary shares at a price of 100p per share.

The directors of Rainbow will warrant pre-tax profits of not less than £900,000 for the three years ending March 31 1987.

The purchase consideration will be satisfied as to an initial allotment of 472,000 shares on completion and further allotments according to profit performance over the warranty period.

If profits should fall short of £900,000, the deferred consideration will be reduced by £1.50 for each £1 of shortfall. In the event that pre-tax profits exceed the warranted amount, the vendors of Rainbow will receive a bonus payment in cash at the rate of £1 for every £2 of the additional pre-tax profit up to a maximum of £350,000.

● More bids and deals Page 32

Audiotronic forecasts £0.1m loss

BY DAVID DODWELL

Audiotronic, the importer and distributor of electronic communications equipment, yesterday forecast a consolidated pre-tax loss of £100,000 for the financial year that ended yesterday, in a shareholders' circular giving details of an agreed £2.85m cash or shares bid for Scan Data, the USM-quoted computing group.

Meanwhile, Mr Eric Crawford, chairman of Scan, blamed fierce competition, costs of launching a new product range and a bad debt, for a £74,000 loss in the second half of the 1982-83 year. This trimmed full year profits before tax to £100,000. No dividend is being recommended.

Audiotronic is offering nine of its own shares for every two Scan shares. With Audiotronic shares at 28p yesterday, this values the shares offer at £2.85m, and Scan shares at 126p. A cash alternative being provided by Schroder Wagg amounts to 94.5p, which would give the company a market capitalisation of £2.14m.

Shareholders accounting for 56.2 per cent of Scan's issued share capital have undertaken to accept the offer, which is due to close on March 20.

Mr Aziz Panni, managing director of Audiotronic since early last year after a recapitalisation of the company, said the aim of the bid was to develop "a wide range of businesses in the area of communications."

In parallel with the offer, Audiotronic plans to place 5m new shares with institutional investors, which would raise about £1m after expenses.

Harris encouraged by Stylo offer acceptances

SHARES in Stylo rose 25p to 285p yesterday in response to the announcement that the 325p cash offer from Harris Queensway had attracted a surprisingly high number of aceptances by its first closing date. Yet the bidder's chances of winning control of the shoe retailing group at the current £35.6m offer remain as remote as they were on the first day.

Harris's offer, which has been extended for two weeks to March 14, has attracted acceptances representing 48.12 per cent of the ordinary shares. Harris already owned 5.12 per cent of Stylo's ordinary giving it 53.24 per cent. Because there have been no acceptances from holders of the no voting management shares controlled by the founding Ziff family, however, Harris has only captured 30.7 per cent of the votes.

Mr Phil Harris, Harris Queensway chairman, said yesterday "The acceptances received represent an exceptionally high level of support at the first closing date of a contested offer. We are most encouraged by this vote of confidence in our offers. We will continue to seek an early meeting with the board of Stylo."

Mr Arnold Ziff, chairman of Stylo, was unavailable for comment yesterday, but Lloyds Bank International, Stylo's advisors, said that the board would be meeting early next week to discuss the level of acceptances and Harris's request for a meeting. The board has sufficient voting control to block any bid.

Meantime, Lloyds confirmed that a firm of property agents had been appointed to carry out a revaluation of group assets. This will take some months.

BANK RETURN

	Wednesday February 29 1984	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	48,028,929	— 3,972,534
Bankers Deposits	767,014,905	+ 157,693,882
Reserve and other Accounts	1,439,979,593	+ 12,244,702
	2,269,576,427	+ 165,966,050
Assets		
Government Securities	411,765,298	+ 42,590,000
Advance & other Accounts	555,866,679	— 2,352,797
Premises Equipment & other Secs.	1,289,116,568	+ 121,223,004
Notes	12,655,024	+ 4,501,599
Coin	172,858	+ 4,244
	2,269,576,427	+ 166,966,050
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	11,470,000,000	+ 50,000,000
in circulation	11,457,344,976	+ 45,498,401
in Banking Department	12,655,024	+ 4,501,599
Assets		
Government Debt	11,015,100	—
Other Government Securities	2 001,110 766	+ 575,629,463
Other Securities	9,457,874,134	— 525,629,453
	11,470 000,000	+ 50,000,000

BASE LENDING RATES

A.B.N. Bank	9 %	Heritable & Gen. Trust	9 %
Allied Irish Bank	9 %	■ Hill Samuel §	9 %
Amro Bank	9 %	C. Hoare & Co. †	9 %
Henry Ansbacher	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	■ J. Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered ‖	9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings ¶	10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		
■ Hambros Bank	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 6%. Fixed rate 12 months £2,500 9% £25,000, 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

UK COMPANY NEWS

MINING NEWS

Little cheer from Gencor group interim dividends

BY GEORGE MILLING-STANLEY

THE LATEST batch of interim dividends from the South African gold mines owned by General Mining Union Corporation (Gencor) group in the *Evander area contained no real surprises.*

Most of the payments were broadly in line with the expectations of the share market, although there may be some shareholder disappointment with the 87 cents (48p) from Kinross and the 17 cents from Leslie.

Equally, the interim of 47 cents from the comparatively young Unisel operation in the Orange Free State is a little lower than was expected.

The latest payments are compared in the accompanying table.

	1984 March cents interim	1983 Sept cents final	1983 March cents interim	1982 Sept cents final
Bracken ...	23	37	27	27
Kinross ...	87	109	78	85
Leslie	17	30	28	23
Unisel	47	62	60	45
Winkelhaak	177	226	188	155

Interim payments at these levels look to be based pretty firmly on current performance, both of the gold price and of the mines themselves.

When this group of mines declared final dividends for the financial year to September 30 1983, it was made clear that shareholders could not expect the payments for the current year to match last year's totals unless the mines achieved a gold price comfortably in excess of the price of $413 per ounce current at that time.

Bullion's failure to make a significant breach of the $400 per ounce mark this week makes it increasingly problematical that an average price of above that level can be achieved in the current financial year, which must cast some doubt on the likely level of the final dividends, due in September.

In a market dominated by currency considerations, the share prices were basically unchanged in terms of the U.S. dollar yesterday, although the renewed strength of that currency against sterling made London prices look a little higher.

Oakbridge suffers from fall in coal market

THE AUSTRALIAN coal and industrial group Oakbridge has omitted its interim dividend after a downturn of almost A$10m (£6.25m) in its coal mining operations, which left the group with a net profit of A$217,000 in the six months to the end of December.

Net profits for the first half of the previous financial year were A$5.26m, reports Lachlan Drummond in Sydney. An interim dividend of 3.5 cents was paid, and the group went on to make full-year net profits of A$8.85m and pay a total dividend of 7 cents.

The group lost A$212,000 at the pre-tax level after a deficit of A$3.2m on mining operations. These figures compare with group profits of A$9.3m pre-tax and a surplus of A$6.44m from the coal business.

The mining division's loss came as a result of higher costs and falling prices, with the pressure on costs coming from increased rail and port charges, higher royalties, lower productivity in mines under development and the need to produce coal of better quality in an increasingly competitive market.

Total sales from mines wholly or partly owned by Oakbridge fell from 1.5m to 1.3m tonnes, with the group's share of revenues dropping from A$43m to A$41.9m. Overall group sales were steady at A$74.8m.

Oakbridge does not expect any significant improvement in its coal operations in the remainder of the year to June 30,

Inca outlines hopes for its Rich Gulch property

THE CAPITAL cost of bringing the Rich Gulch gold property in Plumas County, California, into production at the proposed milling rate of 3,000 tons of ore a day has been estimated at US$28m (£19m).

Inca Resources of Canada, which owns the deposit, made the cost estimate on the basis of preliminary work carried out so far.

Campbell Resources is currently working on a feasibility study, and Inca said the project is expected to go ahead. Campbell can earn a 51 per cent interest, with Inca retaining 49 per cent, by bringing Rich Gulch to production.

Reserves have been calculated at 6.04m tons at an average grade of 0.121 ounces (3.76 grammes) of gold per ton. Operating costs for the proposed open-pit mine have been put at US$165 per ounce of gold produced, compared with the current price of just under $400.

Annual gold production is expected to be in the region of 100,000 oz.

Courtney Pope profits 20% ahead at midway

Both turnover and profits of Courtney, Pope (Holdings) advanced by 20 per cent in the six months to January 30 1984.

Turnover, of this shopfitter and electrical concern, rose from £14.95m to £17.95m and taxable profits emerged £100,000 higher at £580,000.

The interim dividend is lifted 25 per cent to 2p against 1.6p. Earnings per 20 share were 11.39p compared with 7.51p. Last year's final dividend was 3.2p (2.4p) on taxable profits of £1.1m (£921,000).

There was no tax charge for the interim period?last time tax took £96,000.

With a stable situation in the U.S. the directors are looking forward to further improved contributions at the year end. Group investment in CNC equipment, research, designs and new products is having an impact and should help to maintain an improvement for the full year they add.

Order books in most group companies are good.

Yearlings total £7.5m

Yearling bonds totalling £7.5m at 9¼ per cent redeemable on March 6 1985, have been issued by the following local authorities. Eastleigh District Council £0.5m; Rotherham (Metropolitan Borough of) £0.5m; Gateshead (Borough Council) £1m; Wellingborough (Borough of) £0.25m; Dundee (City of) District Council £1m; Grampian Regional Council £2m; Dwyfor DC £0.5m; Slough (Borough of) £0.5m; Barnsley Metropolitan BC £1m; Woodspring DC £0.25m.

Consultants Computer surges to £0.5m—pays 6p and 400% scrip

A NEAR £300,000 profit in the second half has enabled Consultants (Computer & Financial) to expand from £124,919 to £495,538 in the year 1983. A final dividend of 4.2p gives a total for the year of 6p, against the inaugural 3p last time. The company is a member of the *USM.*

Mr Tim Simon, the chairman and managing director, attributes the significant increase in profitability to higher volumes of business in turnkey systems and the company's software business, coupled with continued control of the level of overheads. Some £100,000 of the profit came from CCF (Hong Kong), the new wholly-owned subsidiary.

The chairman feels confident of continued expansion overseas, and is investigating new geographic areas together with the possibility of selling software on a royalty basis through agents overseas. This is seen as a method for raising profitability without the associated strain on resources.

He says the group can look forward to steady growth on a greatly increased product and client base.

There is continued activity in the securities industry sector and the directors feel that an increasing contribution will be made from the investment management area, particularly from managers of investment trust and pension funds.

Software packages are the prime contributors to both turnover and profits. A high level of continued enhancement work for most existing FISCAL and TIMS users was sustained throughout the year. SHIPS was installed for 10 customers in the UK and Hong Kong — only one system was put in in 1982.

In 1983, turnover moved up from £1.34m to £2.1m, on which the gross profit expanded from £564,884 to £929,551. After tax £71,791 (£42,000) the net profit came to £423,747 (£82,919) and earnings are shown to be 42.5p (8.3p). Last year there were extraordinary debits of £23,000.

The directors plan a capital reorganisation; they intend to split the 10p shares into 5p shares, and make a scrip issue of four new 5p shares for every one held on April 12.

BOARD MEETINGS

TODAY

Interims:— Burndene Investments, Telefusion.

Finals:— Algemene Bank Nederland, BSR International, Berkeley Exploration and Production, Derek Crouch, New Darien Oil Trust.

FUTURE DATES

Interims:—	
Armstrong Equipment	Mar 21
Lucas Industries	Mar 29
Peachey Property	Mar 20
Sinclair (William)	Mar 8
Finals:—	
Barlow Holdings	Mar 7
Black and Edgington	Mar 5
CSC Investment Trust	Mar 7
Cambridge Electronic Inds.	Mar 12
East Rand Consolidated	Mar 5
Fisons	†Mar 6
Metalrax	Mar 12
Needlers	Mar 8
New Equipment	Mar 5
Silverthorne	Mar 6
Spring Ram	Mar 26
Wimpey (George)	Apr 26

PRELIMINARY RESULTS FOR 1983

Royal Insurance

	Year 1983 (unaudited) £m	Year 1982 (audited) £m
General Insurance:		
Premiums Written	1,910.1	1,700.2
Underwriting Balance	−209.6	−166.1
Investment Income allocated to General Insurance operations	204.3	180.8
General Insurance Result	−5.3	14.7
Long-term Insurance Profit	17.5	13.6
Investment Income attributable to Capital and Reserves	75.0	60.5
Share of Associated Companies' Profits	11.2	7.7
Profit before Taxation	98.4	96.5
Less Taxation	19.0	22.6
Minority Interests	0.4	1.0
Net Profit attributable to the Shareholders	79.0	72.9
(pence per share)	(41.9p)	(38.7p)
Dividends for the year	53.8	50.0
(pence per share)	(28.5p)	(26.5p)
Transfer to Retained Profits	25.2	22.9
Capital and Reserves	£1,422m	£1,225m

EXCHANGE RATES

Foreign currencies have been translated according to our normal practice at approximately the average rates of exchange ruling during the year. The principal rates were:—

	Year 1983	Year 1982
USA	$1.51	$1.75
Canada	$1.87	$2.15
Australia	$1.68	$1.72
Netherlands	Fls4.33	Fls4.66

Changes in exchange rates adversely affected the underwriting balance by £21.2m; investment income and Associated Companies benefited by £23.7m. Overall the profit before taxation benefited by £2.5m.

FINAL DIVIDEND

The Directors will recommend to the shareholders that at the Annual General Meeting to be held on 10th May 1984, a final dividend be declared of 18.0p per 25p share to be paid on 18th May 1984. This dividend will be payable to shareholders registered at the close of business on 13th April, 1984. This, together with the interim dividend of 10.5p already paid, will make a total distribution of 28.5p per share for the year 1983 compared with 26.5p for 1982.

PROPOSED SCRIP ISSUE

The Directors will also recommend that a scrip issue be made to shareholders registered at the close of business on 21st May 1984 on the basis of one new share of 25p for every four shares of 25p each in the company then held.

INVESTMENT INCOME

Total investment income of £279.3m increased in sterling terms by some 15¾%; allowing for the changes in rates of exchange the growth was 6½%.

GENERAL INSURANCE

Premium income rose by 12¼% in sterling; allowing for the effect of currency changes, the increase was almost 3½%.

Details for the individual operating companies are as follows:—

In the **United States** premium income in dollar terms, including that of Milbank Insurance Company, was marginally lower. The operating ratio was 114% (1982:111.1%). The deterioration was mainly attributable to a substantial worsening in the workers' compensation and general liability accounts. However, there was some sign of improvement in the commercial multi-peril and automobile business due to the remedial measures taken, although losses continued at very high levels. Firm underwriting and pricing action is being maintained despite, in the absence of general price firming in the very competitive market, some loss of market share. For personal lines there was a better underlying trend with a positive underwriting balance being achieved in the final quarter. Weather related losses for the year totalled $53m (1982 $43m).

The result for **Royal UK** showed a useful overall improvement with premium income increasing by some 7½%. Aided by the somewhat lower level of weather losses than in 1982, the personal lines showed a marked improvement to produce a small positive underwriting balance. Although there was some welcome stabilisation of rates in the market place, experience remained adverse in commercial lines, due mainly to the incidence of large fire claims in the third quarter.

There was a sharp worsening in the result for **Canada** in the fourth quarter with a return to the more usual adverse winter weather conditions, an upsurge in automobile claims frequency and poor general liability experience. However, the loss ratio for the year was contained to 68.7% (1982: 71.5%). Premium income in local terms fell by over 7%.

The result for **Royal Int** reflected the increase in the number of large fire and weather claims, mainly in Western Europe, and a general deterioration in the motor account.

The significant improvement in the result in **Australia** continued with a marked reduction in the expense ratio. The adverse underwriting balance is more than accounted for by the cost of the bush fires in February. Premium growth was particularly strong in commercial business.

In **Royal Nederland** there was a virtually unchanged underwriting balance in local currency terms with the deterioration in motor business being offset by improvements in most other lines. Premium income fell by 5.7% in local terms in the intensely competitive market conditions.

The results for **Royal Re's** facultative and home foreign business were somewhat worse and there was a marked deterioration in the treaty account.

ROYAL LIFE INSURANCE

New annual premiums written by **Royal Life** during 1983 increased by 117% to £57.7m and new single premiums rose by 75% to £84.4m. The introduction of the new system of crediting tax relief on mortgage interest (MIRAS) in the UK was a major factor in the increase. Sales of unit-linked business were also very good with annual premiums rising almost threefold to £4.1m and single premiums more than doubled at £24.7m.

The long-term insurance profit increased from £13.6m to £17.5m.

CAPITAL AND RESERVES

Capital and Reserves do not at present make any allowance for the value of our long-term insurance business and the Directors are considering the inclusion of such a value in the 1983 Report and Accounts.

REPORT AND ACCOUNTS FOR 1983

The Report and full Accounts for 1983, which are being prepared, will be posted to shareholders on 16th April 1984 and delivered to the Registrar of Companies following the Annual General Meeting.

Royal Insurance plc,
Group Head Office,
1 Cornhill, London EC3V 3QR.

	Year 1983				Year 1982			
	Premiums Written £m	Under-Writing Balance £m	Allocated Investment Income £m	General Insurance Result £m	Premiums Written £m	Under-Writing Balance £m	Allocated Investment Income £m	General Insurance Result £m
Royal USA	807.6	−139.9	92.8	−47.1	699.5	−91.1	72.2	−18.9
Royal UK	533.1	−24.1	56.4	32.3	494.6	−36.7	53.1	16.4
Royal Canada	200.3	−20.6	28.1	7.5	187.9	−18.1	28.8	10.7
Royal Int.	116.4	−7.1	7.9	0.8	112.9	−3.9	7.7	3.8
Royal Australia	113.4	−3.2	9.0	5.8	78.9	−7.9	9.4	1.5
Royal Nederland	67.6	−4.6	6.2	1.6	66.5	−4.0	5.9	1.9
Royal Re	71.7	−10.1	3.9	−6.2	59.9	−4.4	3.7	−0.7
	1,910.1	−209.6	204.3	−5.3	1,700.2	−166.1	180.8	14.7

JOBS COLUMN

Stupid selecting · UK posts with U.S. groups

BY MICHAEL DIXON

THE FIRST nominee this year for the Jobs Column's prize for stupefyingly lunkheaded useless recruitment procedures (SLURP) has been nominated by reader Roy Burns, a stockbroker with Hoare Govett in London.

The victim was his son Neil, who is now 18 years old. Well before Neil left school he knew what job he wanted. He was going to be a professional cricketer. But he took six subjects in the Ordinary-level examinations at 16-plus before signing a contract with the Essex county club where he plays as the second XI wicket-keeper.

At the end of the cricket season last summer he decided to look for stand-in work to keep him going until the 1984 season starts next month (hooray!). He was asked to go along for interview by an employer in Chelmsford near his home.

The interviewer seemed satisfied with Neil's credentials except for one thing—his academic record. There was evidently a doubt that his mere six Ordinary-level grades were enough to bring him up to the educational standard the company required in its young recruits.

After some jaw-rubbing the interviewer decided that if the lad still wanted to be considered, he would have to take tests in English and mathematics. Neil did so, passed in both, and was taken on.

His job turned out to be working in the warehouse, unloading trucks.

The company, and current front-runner in the SLURP stakes, is W.H. Smith.

It did pretty well over the 10 months to December 3 with pretax profit, excluding property gains, up from £13m to £20m. But W. H. Smith's chairman Simon Hornby might perhaps do even better in future if he set up an inquiry with the aim of cutting out unnecessary bureaucracy in the personnel departments of the group's Chelmsford and other branches.

£65,000-plus

A CHIEF executive for the London arm of an American-owned group of international commodity brokers is sought by Martin Krajewski of the Firth Ross Martin Associates consultancy. Since he may not name the client he promises to abide by any applicant's request not to be identified to the employer without further permission. The same goes for the other headhunters to be mentioned later.

The job is on the market because the group is promoting the present chief of the London operation which consists of four companies. Their activities cover the terminal, precious metals and money markets, and there is a plan for increased dealing in the financial arenas.

The newcomer will be responsible to the New York board for the success of the British end of the business and will be expected to share in planning and developing group policy as a whole. There will be senior managers covering dealing, accounting cum operations, and administration in immediate support.

Candidates should have successfully managed a comparable business operation for at least five years together with sound knowledge of all aspects of the commodity markets and first-hand experience of dealing and settlement and accounting systems. While not essential, a professional qualification would help.

Negotiable rewards, including bonus and perks, worth a minimum of £65,000 and probably more.

Inquiries to Mr Krajewski at 59A London Wall, London EC2M 5TP; telephone 01-628 2441.

Property

AFTER GOING several years without receiving any calls from recruiters for specialists in property-dealing, I've suddenly had three in the past six weeks. The latest comes through headhunters Brian Firth who says the recruit could work from anywhere in the country although London or the South-east would be the handiest area.

The employer is a United States food group. It is planning to open 100 or more retail outlets in towns throughout the United Kingdom in the next two years as the precursor of a wider expansion in Europe over the following five.

So it has asked Mr Firth to find a property consultant who will be responsible to the group's vice-president in charge of European operations. One task will be to advise on strategic questions such as whether a particular locality would best be served by a high-street or an out-of-town store. Another will be searching for appropriate sites. A third will be negotiating acquisitions, planning permission and so on.

Candidates need to have all aspects of the UK property market "at their fingertips," the headhunter says. One suitable background would be senior-level work in one of the leading property companies. On the other hand, somebody who is successfully doing a similar job with one of the big retailing chains might well be suitable. But background is less important than deep technical knowledge and skill, and ability to work largely on one's own.

The employing group proposes to pay the chosen person some £35,000 or so as a "retainer"—which means that it would not mind the consultant's doing similar work for other clients, too, provided that they were not direct competitors.

Enquiries to Brian Firth and Associates, 1 Garrick House, Carrington Street, London W1Y 7LF; telephone 01-627 3215.

Info chief

SOMEWHAT to the west of London yet another U.S. group—a relatively small one making and marketing high-technology industrial products—is seeking an information systems manager through recruiter Tony Scott of Anthony Nevile International.

He says that as well as running the UK-based subsidiary's data-processing operations the newcomer will be expected to be its in-house expert on all things available by way of communications systems and the associated equipment. Its present installation consists of a substantial mainframe and linked word processors and personal computers. There are about 15 supporting staff.

"But the company's keen to get a better co-ordinated information-processing policy into force as soon as can be done," Mr Scott adds. "So I'd say there'll need to be some expansion on the staff side fairly quickly. Even if not, there will certainly be a biggish pile of work already waiting on the desk when the manager eventually gets to it."

The salary indicator is around £20,000. From what I personally can see of the market for managers of information systems and the like, I have a feeling that the company may well have to pay rather more than that. The perks include a car.

Inquiries to Tony Scott at Woodlands Rise, Mill Lane, Monks Risborough, Buckinghamshire HP17 9LG; tel. 084 44 7879.

Incredible?

ONE OF the bits of writing that never fails to entertain me comes from the great William McGonagall's epic on the execution of the Marquis of Montrose. After telling us how the Scottish nobleman was led out to be bard goes on:

Then Montrose asked the executioner how long his body would be suspended,

Three hours was the answer, but Montrose was not the least offended.

Given the circumstances, one would be as dumbfounded to hear that the poor chap *had* been offended as one is to learn that he wasn't. Somehow "offended" is sublimely the wrong word.

A similar effect was produced the other day by an advertised offer of management training for "Self-motivated and career minded individuals (23+)" at a £10,000 salary. The only other information given about the job was:

"Absolutely no time-wasters please as this is an incredible opportunity to work in our new Ealing office."

Treasury Management

London **to £25,000 + Car**

Our client is a major international service organisation with an increasing demand from its clients for a broader range of support services. The urgent need is for a treasury specialist to drive a professional treasury management advisory group.

The position involves considerable exposure at senior management levels, both in the banking community and with client organisations. The successful candidate will play a lead role in developing and selling the services of the group and in building a support team. The prospects for promotion will be excellent.

To meet the challenge of this senior appointment, candidates must demonstrate a thorough understanding of treasury management. This will include bank relationship management as well as cash, fund and exposure management and the control of working capital. Exposure to the fiscal effects of treasury-based decisions would also be advantageous.

If you believe you have the personal and technical skills to satisfy our clients needs, are aged between 30 and 35, and can offer a good degree or other relevant qualification, then write enclosing a comprehensive curriculum vitae to: John Sheldrake, quoting ref. 992, PO Box 143, 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
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London New York
Birmingham Manchester Leeds Glasgow

PORTFOLIO INVESTMENT AT NMW COMPUTERS P.L.C.

Ambitious Stockbroker's Clerk required to run new Portfolio Investment system. At least three years experience required.

Applications with C.V. (treated in confidence) to:—

**Brian Hodges,
NMW Computers p.l.c.
Stapeley House,
London Road,
Nantwich,
Cheshire.**

Private Clients Investment Management

Top Merchant Bank

This is an excellent opportunity for a professional, probably under 35, with substantial experience and successful track record of Private Clients discretionary portfolio management.

Our client is a highly respected City based international merchant bank. Continuing success has increased the funds under management and led to the expansion of the Private Clients Department, creating this opening for an additional Portfolio Manager. The Department provides a stimulating, professional and successful environment and offers the opportunity of a high degree of international exposure.

Salary and benefits (including low cost mortgage) are as you would expect from a major international merchant bank of this standing.

Applications, which will be treated in strict confidence, should include details of career to date and be addressed to J.D.Vine (Ref. CRS 87), Vine Potterton Limited, 152/153 Fleet Street, London EC4A 2DH. Please state separately if there are any merchant banks which you would wish not to approach.

Vine · Potterton
RECRUITMENT SERVICES

J. ROTHSCHILD INVESTMENT MANAGEMENT LIMITED

(a subsidiary of Charterhouse J. Rothschild plc)

require a

FUND MANAGER

for the

TARGET GROUP OF UNIT TRUSTS

Due to expansion, Target requires an additional Fund Manager with experience in overseas markets. Knowledge of commodities and/or precious metals would be an advantage, but is not essential.

Applications are invited from experienced fund managers of all ages. An attractive and competitive package, including company car, share incentive schemes and non-contributory pension and life assurance scheme await the successful candidate.

Applications, in strict confidence, to John Hodson, Director, J. Rothschild Investment Management Limited, 66 St. James's Street, London SW1A 1NE. Tel: 01-493 8111.

INVESTMENT EXECUTIVES

MERSEYSIDE ENTERPRISE BOARD LIMITED

M.E.B. IS A COMPANY LIMITED BY GUARANTEE AND FUNDED BY THE MERSEYSIDE COUNTY COUNCIL TO REGENERATE THE LOCAL ECONOMY

These new appointments are to spearhead the investment activities in the Merseyside Enterprise Board Limited. The Board's aim will be to stimulate industrial growth in the region; the main thrust will be to assist in strengthening medium and large companies by the provision of venture capital.

The Investment Executives will be responsible directly to the Chief Executive. Principal tasks will include the identification and appraisal of investment opportunities, control and implementation of investment plans; monitoring of investment and corporate performance.

Candidates, qualified accountants or business graduates, will have had relevant senior level experience in industry or commerce. Investment analysis skills linked to the ability to assess longer term prospects of corporate viability will be needed. Starting salary in the range £12,000 to £16,000.

Relocation help if required.

The M.B.E. welcomes applicants from all sections of the Community, irrespective of their sex, ethnic origin, colour, sexual orientation or disability, if they have the necessary attributes.

Please write in confidence—with full career details to:—

Chief Executive,
Merseyside Enterprise Board Limited,
P.O. Box 95, Metropolitan House,
Old Hall Street, Liverpool L69 3E1.

Closing date: Friday March 9 1984.

OIL COMPANY ACCOUNTANTS

Qualified or part qualified

LONDON **£10,000 to £15,000**

Amerada Hess (U.K.) Limited, a subsidiary of Amerada Hess Corporation, the world's 18th largest oil company, has been involved in the North Sea since 1963. We are a rapidly developing organisation located in London, with operations bases in Great Yarmouth and Aberdeen.

Excellent career development opportunities now exist for lively young accountants with practical experience in a large company or accounting environment. Successful candidates will have a thorough grounding in accounting (but need not necessarily be fully qualified). The positions are:

PROJECT ACCOUNTANT

Reporting to the Senior Accountant responsible for planning and control, you will be based in London and will deal with all accounting aspects of project cost control including monitoring approvals, preparing regular reports for management and explaining variances. You will also be expected to assist in the preparation of short and long-term forecasts.

SITE ACCOUNTANT

You may well be of single status as this appointment requires rotation between London and the operations bases. You will carry total responsibility for accounting for the drilling operations in Great Yarmouth or Aberdeen. London responsibilities will include all aspects of joint venture accounting and reporting as well as contact with partners.

These appointments require applicants with enthusiasm, adaptability and common sense. There are good promotional prospects, including opportunities to move into more specialised areas. Salaries will be in the range £10,000 to £15,000 and there is a generous benefits package.

Applications giving full relevant details should be addressed to:

**P.W. Brown,
Personnel Manager,
Amerada Hess (U.K.) Limited,
2 Stephen Street,
Tottenham Court Road,
LONDON W1P 1PL.**

Discover a great career with

AMERADA HESS

MANAGING DIRECTOR

A company has developed an ingenious high technology retail-control computer product, and requires a dynamic and experienced Managing Director aged between 35 and 50 and with a proven track record in marketing and administration. The successful candidate will receive a substantial remuneration package which will include equity participation.

*Please reply in confidence with full particulars to Box A8506
Financial Times, 10 Cannon Street
London EC4P 4BY*

APPOINTMENTS ADVERTISING APPEAR EVERY THURSDAY

Sector Oriented Institutional Selling

Oils & Electricals

Our client is a major UK stockbroker with a substantial research presence and an effective institutional salesforce. They want to complement the general sales team by recruiting sector specialist salesmen who would spend a large part of their time servicing a wide range of institutions on a single *sector*.

The positions would suit analysts with 2/3 years relevant experience who would like to spend more time talking to clients and less on research—though some research will be involved. Alternatively they would suit salesmen of similar experience who would enjoy becoming involved in a single well researched sector.

Applications from more senior candidates with particularly relevant experience would also be considered.

Remuneration would be highly competitive.

Applications, which will be treated in strict confidence, should include details of career to date and be addressed to J.D. Vine (Ref. CRS 88), Vine Potterton Limited, 152/3 Fleet Street, London EC4A 2DH.

Applicants, male or female, are requested to indicate any organisations in which they would not be interested.

Vine · Potterton
RECRUITMENT SERVICES

MANAGER—CORPORATE FINANCE

c. £24,000

Our client, an established and successful Merchant Bank and member of the Accepting Houses committee, seeks a seasoned Corporate Finance specialist to contribute substantially to their continued growth. Candidates, in their late 20s or early 30s, will have spent at least three years in the corporate finance department of a major financial institution and gained experience across the spectrum of corporate finance activity.

CORPORATE FINANCE EXECUTIVES MERCHANT BANKING, INVESTMENT BANKING, STOCKBROKING

to £15,000

On behalf of clients, some of the City's most outstandingly successful specialists in all aspects of domestic and international Corporate Finance, we are looking for a number of above averagely talented and ambitious recently qualified ACAs and Lawyers. Applicants, almost certainly graduates, will have trained with a large City firm. A mature, creative and analytical approach is essential for these challenging positions.

To arrange an informal and confidential meeting at which these opportunities can be discussed in more detail, please contact Robert Digby B.A.

Badenoch & Clark
Recruitment Consultants
16-18 New Bridge Street, London EC4V 6AU
Tel: 01-353 1867

An International Management Career

Reuters, the international news organisation, requires executives with a proven record in marketing and project management to promote its rapidly expanding world-wide business.

Applicants should be in their late 20's or early 30's with a good working knowledge of at least one foreign language and must be prepared to work both in the United Kingdom and overseas. The ability to understand computer and communications technology is also important.

UK salary will start in excess of £20,000 with a car, six weeks' annual holiday, BUPA, pension, life and accident insurance.

*Please apply to: The Recruitment Executive,
REUTERS,
85 Fleet Street, London EC4P 4AJ.*

REUTERS REUTERS REUTERS

Senior Management Appointment

leading to Executive Director Status

With internationally successful and fast growing CAD/CAM company, based U.K. Proven industry and management experience plus successful track record are prerequisites for applicants. Very attractive compensation package.

Please write in the first instance to J.Tappenden

E.P. Associates
59 Park Street
Bristol BS1 5NU

All applications will be responded to and handled with complete confidentiality.

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If you are a redundant or 'slightly used' executive or professional person, or have some other career crisis, we can help you by offering the most comprehensive **Career Counselling** service in Europe.

Our unique **guarantee** assures clients of rewarding careers, obtained mainly from the unpublished job market.

Telephone for an appointment of up to four hours free consulting — or send us your c.v.

We are also specialists in 'Outplacement' for organisations, through our affiliated company Lander Corporate Services Ltd.

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London: 01-580 6771, 35-37 Fitzroy St., W1P 5AF.
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Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.
Glasgow: 041-332 1502, 141 West Nile St., G1 2RN.
Belfast: 0232-228768, 22 Great Victoria St., BT2 7ER.

INTERNATIONAL MARKETING OFFICER

My client, a major international banking group is seeking to recruit an experienced banker, preferably a graduate, to undertake a vigorous programme marketing the group's services and financial products, to corporate and financial institutions, internationally.

The ideal candidate will possess a confident, outgoing personality and will have first hand experience of the international capital markets. A knowledge of and experience in money or bond markets is preferred.

It is envisaged that some two months per annum will be spent travelling, primarily in North America and Europe.

This unique opportunity offers a highly competitive salary and benefits package normally associated with the responsibilities of this position.

Please apply in the first instance with detailed CV to David Williams.

Jonathan Wren BANKING DIVISION
170 BISHOPSGATE
LONDON EC2M 4LX
01-623 1266

Credit Manager

A major challenge within a financial services environment

Attractive compensation package **Southern England**

A successful international financial services organisation, backed by one of the world's largest financial institutions, is seeking to strengthen their management team by the appointment of a senior Credit Manager at their Headquarters in Southern England.

The Company has adopted an aggressive stance in the market and is developing an increasingly sophisticated operation. The specification for the Credit Manager therefore reflects this attitude and calls for an individual who has a positive personality and considerable experience, particularly in the area of personal debt collection and who can demonstrate a track record in successful staff management.

You should be in your thirties and ideally educated to degree standard coupled with membership of the Institute of Credit Management. You will need experience of accounting practices as well as computer systems, as part of your function will be to implement and develop an efficient method of collection through computer control.

Career prospects are excellent within the Company and the Group. The highly competitive salary to be offered indicates the importance to our client of this appointment. You'll be working in modern offices with excellent benefits which include a car, mortgage and loan facilities, free BUPA, contributory pension scheme, subsidised staff restaurant etc.

In the first instance please send your full c.v. to Ian Lovatt at Moxon Dolphin & Kerby Ltd., 178-202 Great Portland Street, London W1N 5TB, quoting ref: IL/4116/FT. Please state in a covering letter any companies to whom you do not wish your application sent.

MOXON DOLPHIN & KERBY LTD

Company Lawyer

Hants **c £25,000 + Car**

Our client is a publicly quoted, high technology group, with a significant interest in defence equipment. Growth, through international development and acquisition has led to an annual turnover in excess of £50 million. Consequently a commercially minded individual is sought to fulfil a key new role within the group organisation.

Reporting to the Financial Director, the position involves the co-ordination and control of legal administrative and operational activities. Main areas of involvement include the undertaking of negotiations and contracts and attending meetings in the capacity of Company Lawyer and Company Secretary.

Applicants will be graduates aged 28-34, ideally with a law degree and should be able to illustrate notable achievement in an authoritative position either as a practicing lawyer (as a junior partner), or for a minimum of two years in the legal department of an industrial/commercial organisation at senior level. Excellent communicative skills, accuracy and assertiveness are absolutely vital for success with this dynamic group. For a bright commercially-aware individual, high rewards, commensurate with the applicant's responsibility, are offered, together with future share options.

Candidates should write, enclosing a comprehensive curriculum vitae to Nigel Hopkins, FCA, quoting ref. 996, at P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Robert Fleming

Investment Manager

A vacancy exists for an Investment Manager to join Robert Fleming's North American investment team in London.

The appointment carries a considerable degree of responsibility and discretion and candidates should have a sound knowledge of North American markets.

Robert Fleming is widely represented overseas and good opportunities exist for advancement both in the U.K. and abroad. A competitive salary according to age and experience with fringe benefits will be offered.

Applicants, of either sex, should write enclosing their curriculum vitae to: Frank Smith, Robert Fleming & Co. Limited, 8 Crosby Square, London EC3A 6AN. Tel: 01-638 5858.

STOCKBROKING and BANKING APPOINTMENTS appear every THURSDAY

For more information call

IRENE NOEL 01-248 5205 or Telex 885033

UNIVERSITY OF GLASGOW

DEPARTMENT OF ACCOUNTANCY LECTURESHIP IN INFORMATION SYSTEMS

Applications are invited for the post of lecturer in the Department of Accountancy. The appointment will be made with effect from 1 October 1984.

It is expected that the person appointed will have expertise in the area of information systems, with particular reference to the use of computers in the processing of accounting and financial data, and be interested in data base management, decision support systems, financial modelling, or quantitative methods. Applicants should have a good honours or higher degree in accountancy and finance or other relevant subject area, e.g. computing, statistics. Business experience and a professional qualification would be an advantage.

Salary will be within the range £7,190-£14,125 on the Lecturers' scale, with placement according to age, qualifications and experience.

Further particulars may be obtained from the Academic Personnel Office University of Glasgow, Glasgow G12 8QQ, where applications (8 copies), giving the names and addresses of not more than three referees, should be lodged on or before 6th April 1984.

In reply please quote Ref. No 5208 FA.

UNIVERSITY OF ST ANDREWS

MANAGEMENT SCIENCES AND STUDIES

Applications are invited for a

LECTURESHIP IN ACCOUNTANCY AND FINANCE

in the Department of Economics, tenable from September 1984 for 4 years in the first instance, to join a team developing new courses in Management Sciences and Studies. Salary at appropriate point on scale £7,190-£14,125 per annum, starting salary probably not above £10,250 per annum plus USS.

Further particulars may be obtained from the Establishments Officer, The University, College Gate, St Andrews, Fife KY16 9AJ, to whom applications (two copies preferably in typescript) with the names of three referees, should be sent to arrive not later than 5 April 1984.

DIRECTOR

UK Centre for Economic and Environmental Development

C.E.E.D. is being set up to provide vigorous leadership in bringing about an effective integration of conservation and development policies within the UK.

For this purpose, the Centre will form close links with the key decision takers in all sectors of society in order to stimulate more successful and more sustainable industrial and social progress as a result of integrated policies. The Centre will be independent of Government and of any political party and is backed by a broad range of wealth creating and environmental organisations.

The Director will be responsible to the Board of C.E.E.D. under its Chairman, Sir Arthur Norman KBE DFC. He (or she) will be responsible for the overall direction of the Centre's programme and will be capable of adopting a high profile as a key public figure with the stature to develop C.E.E.D. as the focal point of a new partnership between conservation and development, involving Commerce, Government, voluntary organisations and also the public at large.

The successful candidate will be familiar with the process of wealth creation in an industrial society and is likely to have had experience of policy making at a high level. Familiarity with scientific, economic and environmental issues, together with a strong sympathy with C.E.E.D.'s objectives is essential. A substantial salary will be paid.

This is a unique appointment of immense potential which cannot be described adequately in a few words. Those who would like to know more are invited to write for further details to:-

The Chairman
Spencer Stuart Management Consultants
Brook House, 113 Park Lane, London W1Y 4HJ

INBUCON

Financial Controller

Essex **c.£19,000+car**

Our clients, a well established company in the aviation industry, provide aircraft maintenance and support services for operators and airlines worldwide. The company has a turnover of c.£14 million with some 500 employees.

They now wish to appoint a Financial Controller who will be responsible to the Managing Director for the financial affairs of the company and will be a member of the policy making Senior Management Team.

Candidates, male or female, aged 30-45, must be qualified accountants, able to demonstrate extensive experience of financial control in a related or service organisation.

The remuneration package includes a negotiable salary c.£19,000, plus car, contributory pension, medical and life insurance and assistance with relocation if necessary.

Please write providing details of career and experience to A. J. Edmondson quoting reference 4020.

INBUCON MANAGEMENT CONSULTANTS LIMITED
Executive Search and Selection,
Knightsbridge House, 197 Knightsbridge, London SW7 1RN.

COMMERCIAL LITIGATION & ARBITRATION

Applications are invited from solicitors with a bias towards building and technical disputes, as well as other property related matters.

The litigation department deals with a wide variety of commercial litigation and arbitration, much of it international in character. We expect solicitors to have a good academic background, and they are asked to exercise initiative and undertake substantial responsibility.

It is unlikely, but not impossible, that newly qualified solicitors will have the necessary experience. Please write to:

Mr M.C.C. Mogridge,
Coward Chance, Royex House,
Aldermanbury Square,
London EC2V 7LD.

COWARD CHANCE

Manager — Credit

International Banking

A well-established consortium bank, active in the Arab World, currently seeks to appoint a Manager to head its small credit department.

Reporting direct to the Deputy General Manager, the appointed candidate will assume responsibility for the assessment of new business and the review and administration of the existing loan portfolio, together with the training and development of subordinate staff.

Potential candidates are likely to be at, or approaching the level of Assistant Manager within a large credit department and should possess at least five years' relevant experience following a formal credit training.

Our client is offering a very competitive salary and benefit package with genuine scope for professional and personal development.

Please write in confidence, giving full career details, and listing separately any companies to whom your application should not be forwarded, to Melvyn Gadsdon.

IAS
LONSDALE ADVERTISING SERVICES LTD
Hesketh House, Portman Square, London W1H 9FG

PosTel
Investment Management Ltd

Equity Analyst/Dealer

PosTel Investment Management Ltd, manage the Post Office and the British Telecom Superannuation Funds, with total assets under management of *£7,000 million* and a *cash flow* of over £700 million p.a.

A vacancy has arisen for someone to work under the Investment Manager of the Core Portfolio. The job involves analysis and dealing in particular sections of the UK equity market.

The successful applicant will be expected to meet and develop good relationships with Stockbrokers and Senior Managers of companies.

A good degree and/or relevant professional qualification is essential and candidates should be receptive to changing techniques of investment.

Working conditions are above average and benefits include a staff restaurant, generous holidays, season ticket loan and contributory index-linked pension scheme.

Salary will be commensurate with qualifications and experience.

Please apply with full career details to:

Mrs E. M. MacLeod, Staff Manager,
PosTel Investment Management Ltd, Equitable House,
47-51 King William Street, London EC4R 9DD.
Tel: 01-626 4577 Ext. 244.

FINANCIAL DIRECTOR

DESIGNATE
£50,000 +
NEGOTIABLE

Private investment group with expanding international interests in Europe, U.S. and Pacific seeks top level financial and corporate businessman with the following attributes:

1. A track record of success.
2. Substantial experience in dealing with the banking and financial community.
3. A thorough knowledge of stock market and corporate transactions.
4. An ability to work in an informal, unstructured and entrepreneurial environment which does not tolerate status seekers or company politicians or smokers.
5. The ability to travel extensively and to spend part of the week in the European headquarters.
6. To be sufficiently ambitious and assured to want to become part of what will develop to be one of the foremost companies and to possess the acumen to make a valuable contribution in the achievement.
7. Age immaterial but probably 35-45.
8. All terms negotiable to the right man or woman.

Applications should be in own handwriting to:
Box A8509, Ref. KG, Financial Times
10 Cannon Street, London EC4P 4BY

UNIQUE CAREER OPPORTUNITIES

FINANCIAL SERVICES

Kent, Sussex, Surrey and Essex

Highly reputable and well established financial group have career opportunities within its successful sales team. Successful candidates will undergo full and thorough training in order to successfully advise private and corporate clients.

Aplications are invited in strictest confidence from candidates aged 24-45, resident in the above locations, who are able to demonstrate previous success in any field.

To apply for an initial exploratory interview, write in strictest confidence to:

Box A8424, Financial Times
10 Cannon Street, London EC4P 4BY

U.K. Lending **Min. £19,000**

The London branch of a European bank committed to corporate lending is seeking an additional Account Officer. Working with a small marketing team, primary interest will be to generate and service business in the medium to large UK corporate sector. A challenging opportunity for a self-motivated professional with a strong marketing background, its importance to the team will be reflected by a competitive salary. Ref: FH.

Trade Finance **Min. £15,000**

Continued expansion of short-term lending activities within this prime international bank has resulted in the creation of the current opportunity. A full marketing role, responsibilities will include identifying and developing buyer and supplier credit business, leading to rapid promotion for the successful candidate. Suitable applicants will have sound knowledge of lending principles and ECGD procedures. Ref: FH.

ROBERT HALF BANKING

SELIGMANN, RAYNER & CO.

OPTION TRADER

We are looking for a young trainee to join our market making team to learn all aspects of the U.K. option market including stock index options.

Career opportunities may also include U.S. options and foreign currency options through our New York Stock Exchange Member firm.

Salary totally negotiable.

Please write to:
Micky Froggatt, Seligmann Rayner & Co
Friendly House, 21/24 Chiswell Street, London EC1Y 4TU

Sales Executive

Two Sales Executives required for the new London Office of an established Canadian Stockbroker.

Salary commensurate with experience.

Write to the Managing Director enclosing curriculum vitae.

Box A8510, Financial Times
10 Cannon Street, London EC4P 4BY

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هكذا من الأصل

Corporate Financial Services
Venture Capital
Management Services
Management Consultancy

Aged 27 to 33 c.£16,000 gross through £20,000 + Car

We have a team of highly skilled, dedicated people. We want some more for venture capital, financial advisory work and consultancy work. These are good opportunities in an expanding national practice, with a lively international firm.

Four aspects of growth in our London Office need more self-starting staff who are able to take responsibility immediately. There is a path to partnership.

Corporate Financial Services

We have a steady run of USM/OTC/Placings/Public Documentation work. Acquisitions, management buy-outs and capital reorganisations grow steadily. We have a responsive and very competent central team where commercial acumen, an understanding of the market, and leadership are very important. We are looking for another leader in this group.

Venture Capital

We are very active indeed in raising capital for new and expanding businesses. If you know what you are doing, this is a most rewarding job. We need another senior member of a substantial group which is developing firstly in London but with longer term plans to develop units elsewhere in the South East. We also need vigorous, enterprising younger members to join this group which attracts an ever-increasing volume of work. It would be useful if you were familiar with, and competent in, computerised financial modelling—or prepared to be so.

Management Services

The objective of this section is to help businesses run better. Team members need to have 'sharp end' experience of problem solving and solution implementation. You will understand modern information systems and the potential of current developments in information technology.

Management Consultancy

Under the management services umbrella is a specialised branch requiring people with experience in efficiency audits, information system design and implementation, project control and business strategy evaluation. First hand experience with costing systems and an interest in corporate planning are also skills in which we are very interested.

Please apply in writing giving full career details to:
Miss Penny Alison, Director of Personnel,
186 City Road, London EC1V 2NU.

ROBSON RHODES

TO REACH NEW PEAKS OF PERFORMANCE AND GROWTH

To build dramatically on a UK portfolio which has grown to £250m. from nothing in 1979, and a consistent *performance* which prompted "Money Management" to vote Fidelity the top management group of 1983, we are now looking for some very special individuals who would join us at the most senior level.

Though the following will give you an idea of the skills we are seeking, we believe in the creation of roles around people and would give you the *challenge of defining* and building your own job.

Investment Director

A well-established manager of competitive American or international portfolios, you would take on several existing and planned unit trust and pension portfolios, travel regularly and make a creative contribution to investment strategy.

Investment Marketing

You will probably have extensive investment management experience for this key co-ordinating role between our investment and marketing teams. Through close contact with our UK and international fund managers you would disseminate their investment views, both verbally and in writing, inside and outside the international Group.

Sales Director - Insurance Linked

You would help us become a major force in the UK insurance linked industry in 1984-85. A dynamic Sales Director, you would spearhead our entry into this market and co-ordinate this function with our existing, successful sales activities.

Assistant Fund Manager

Working very closely with our London-based Investment Directors, your several years' successful investment experience will enable you to build our analytical *knowledge* and make stock decisions on US and international equities.

International Marketing Director

You would have responsibilities for all international marketing activities, building on initial successes in Hong Kong and Europe, and developing the function worldwide. Initially concentrating on the Far East and Australia, you would recruit sales teams and develop each market into a separate profit centre.

Technical Director

You would be responsible for all the technical and legal aspects of our ambitious and innovative product development plans for both the UK and international markets. Playing a key role in the senior team you would provide the vital co-ordination factor between Lawyers, Tax Advisors, Trustees and administrators worldwide.

We are the UK based subsidiary of one of the oldest, largest and most respected independent privately owned investment management organisations in the World (currently managing over £15 billion). That it would mean remuneration at the highest level, including car and bonus, comes as no surprise. However, since our key managers are offered significant equity stakes in the Company, the personal satisfaction of working in your own style towards your own success probably would.

You would be joining a group whose commitment to its colleagues *combines with creativity and flair to* produce impressive results. To find out more about these exciting new positions and the substantial rewards they carry, 'phone our Personnel Director, Leslie J. Hart, either today or tomorrow on 01-283 9911, or in the evenings on 01-289 1367. Alternatively write to him at: Fidelity International Management Limited, 20 Abchurch Lane, London EC4N 7AL.

1983's TOP MANAGEMENT GROUP NEEDS 1984's TOP 'MANAGERS'

These positions are open to both male and female applicants.

Fidelity INTERNATIONAL

BROWN SHIPLEY FACTORS LIMITED
a member of the Brown Shipley Group
require a

SENIOR MANAGER

to work with the Managing Director in the development of this young Company which is making an increasing impact on a growing market.

The successful candidate who will be considered for a position on the Board in due course will have an impressive track record in the field of Financial Management, although this need not necessarily include involvement *in Factoring*.

A competitive salary plus car, B.U.P.A. and other usual benefits will be offered.

Your comprehensive c.v. should be sent to:

Norman Perry,
Brown Shipley Factors Limited,
Harlands House,
Haywards Heath RH16 1TA

Managers and Executives for the UK Cable Industry

Shaw Cable (Management & Development) Limited has been established to provide comprehensive management services to successful cable franchise applicants. Additionally the company will operate as consultants and project leaders for the co-ordination of consortia and the presentation of submissions to the Cable Authority for area franchises.

The company is now seeking applicants to join a team of executives with exceptional skills who will lead and train younger management for positions in operational companies. Two levels of applicants are sought—those from senior managerial positions with considerable experience in related industries, and from inexperienced but highly motivated executives who wish to make a career in the cable industry.

Whilst rewards will be appropriate to the skills of the applicants, benefits will be related more to the success of the company than to immediate salary levels.

Please apply in writing to James F Shaw, Chairman, Shaw Cable (Management & Development) Limited, 25 Buckingham Gate, London SW1E 6LD.

Shaw CABLE
Shaw Cable (Management & Development) Limited

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-248 1858

YOUNG INTERNATIONAL BANKER

London office of leading International Swiss Bank which has developed specialisation in trade related and commodity financing, seeks to recruit young ambitious banker to assist in the development of its London operations. Candidates should be able to fulfil the following requirements:-

* A good class Honours Degree
* A working knowledge of French required (knowledge of language such as Arabic or Greek an advantage)
* A good grounding in international commercial banking with an understanding of the basics of the finance of international trade gained over a period of 2/3 years.

The bank offers a very attractive salary and benefits package.

Please reply in the first instance to Mr. David Grove, consultant for the bank on 01-248 1858 or reply in writing to 60 Cheapside, London EC2V 6AX.

PORTFOLIO ANALYST

The Royal Bank of Scotland plc has a vacancy for a Portfolio Analyst to work in its Investment Department in Edinburgh. The Department manages substantial institutional and private client funds.

The successful applicant will be responsible for managing private client portfolios as well as undertaking UK research and analysis. *Candidates*, preferably aged between 25 and 35, should have several years relevant investment experience.

The post will carry a competitive salary and a number of attractive fringe benefits, including Staff House Purchase and non-contributory Pension Schemes.

Applications, stating age, qualifications and previous experience should be made in writing to:

A J McCreath Esq.,
Assistant Staff Manager,
The Royal Bank of Scotland plc,
42 St Andrew Square,
Edinburgh EH2 2YE.

The Royal Bank of Scotland

GEC Pension Funds
Equity Investment Manager

The funds require a joint manager for the UK equity portfolio. Because the investment team is small it is essential that the person has experience and is both anxious and able to translate thoughts into action.

The funds' assets exceed £¾bn, with a cash flow of £60m p.a. Within the agreed strategic policy decision, the tactics adopted for *running* equity investments will be primarily the responsibility of the two-person team.

A professional qualification and numeracy would increase the suitability of a candidate. Remuneration will reflect the importance of the position.

Men or women should please write to:- P. Olney, Investment Manager, GEC plc, 132 Long Acre, London WC2E 9AH.

GEC

F. W. HOLST & CO.

EUROBOND SALES EXECUTIVE

F. W. Holst & Co. are a member firm of the Stock Exchange of Melbourne Limited. We are a leading Australian Fixed Interest broker specializing in Australian Government and Semi Government securities. We are establishing a London office and require a Eurobond Salesman/woman to assist in the marketing of Australian Government and Semi Government securities in the United Kingdom and Europe.

Aged 25-35 years, applicants must be self-motivated and have at least 2-3 years experience in Eurobond sales.

Salary package negotiable.

Applications in writing to:
John Hibberd, Manager, London
F. W. HOLST & CO.,
Suite 1/4/B, Plantation House,
31-35 Fenchurch Street,
London EC3M 3DX.

LOMBARD, ODIER & CO.
Bankers
11, rue de la Corraterie
1204 Geneva, Switzerland

Backing a worldwide investment policy, our research departments in Geneva and London are being built up as a result of the expansion of our private and institutional client base.

We are looking for an

EXPERIENCED SECURITIES ANALYST

with extensive knowledge of the U.S. equity market, *for our Geneva Investment Research Department.* He/she will join a team responsible for formulating investment policy and his/her assignment may also extend to portfolio management. He/she must be available for frequent travel to keep in close touch with both the market and individual companies.

Candidates who are genuinely motivated, qualified and have a sense of initiative are requested to submit their application to our Personnel Manager.

GROUP DEVELOPMENT EXECUTIVE
CITY
c. £16,000

Mills & Allen International PLC is the parent company of a financial services and media group, active in the UK and around the world.

An exciting opportunity has arisen for a talented and ambitious person to play a part in the continuing development of the Group. As a member of the small Head Office team, the successful applicant will be involved in the implementation of corporate acquisitions and disposals, including instructing professional advisers on precompletion investigations and the drafting of contracts and the preparation of circulars and offer documents. In addition, he/she will become involved in the research and analysis of development opportunities and other aspects of development activity.

The position would ideally suit a qualified solicitor with two to three years' experience in corporate finance seeking a broader commercial role. Applications will also be welcomed from other qualified professionals or from merchant bank executives with comparable experience.

The benefits include a non-contributory pension scheme, free life assurance, permanent health insurance and the opportunity to participate in the Company's equity schemes.

To apply please write, enclosing full curriculum vitae, to:—

Mr. D. H. K. Glover, Director of Personnel
MILLS & ALLEN INTERNATIONAL PLC
8 Montague Close, London Bridge
London SE1 9RD

STOCKBROKING

Long-established provincial firm of Stockbrokers require a Sales Executive to assist in the development of their expanding London Office.

Applicants, not necessarily Members of the Stock Exchange, will have existing private client and institutional connections and be able to demonstrate an ability to generate and maintain new business. Salary and commission-sharing arrangements by negotiation.

Apply in writing, with full c.v., to Box A8511
Financial Times, 10 Cannon Street, London EC4P 4BY

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Manchester	061-236 8409	Faulkner Hse. Faulkner St.

APPOINTMENTS WANTED

PERSONAL ASSISTANT, SECRETARY, AIDE

Seeking a responsible, challenging position requiring character, intelligence, and initiative as assistant to successful international business-person, executive, writer, VIP or the like. Used to responsibility, motivated, reputable; professional demeanour but caring, considerate personality. Knowledge of international banking, investments, and business world. Top-notch worker, organisational ability, excellent skills. Canadian lady, 35, (native English, good French) educated, adaptable, well-travelled, good manner, elegant appearance. Presently employed with prestigious international organisation in Washington but interested in securing appointment abroad. Please respond P.O. Box 39079 Washington, D.C. 20016 USA.

Commodities Professional

with successful trading record and experience of all futures markets, full technical, research capacity, etc., seeks position with progressive individual on private basis. Offers total commitment, accountability. Requests autonomy and profit share. Flexible. Ultimate equity participation desired. Genuine offers only, in confidence.

Write Box A.8412, Financial Times, 10, Cannon Street, London EC4P 4BY.

Former Fleet Street journalist

Female, seeks new career as P.A.

Willing to consider any interesting, demanding role requiring more than basic secretarial skills.

Telephone 01-351 0813 or 352 5743 or reply to Box A.8508, Financial Times, 10, Cannon Street, London EC4P 4BY.

broking. Write Box A.8505, Financial Times, 10, Cannon Street, London EC4P 4BY.

INSURANCE PUBLISHING CONSULTANT

Established legal and commercial publisher with an expanding range of insurance titles requires an experienced professional to research and commission new insurance publishing projects on a consultancy basis. The ideal candidate will be someone with substantial experience in the insurance industry, preferably internationally. Some publishing experience would be helpful but is not essential. Remuneration which could be substantial will be on a fee plus royalty basis, and dependent on the time the appointee has to devote to the project. The consultant will be expected to liaise regularly with the publisher who is based in London.

Please reply with full cv to Box 0000
Financial Times, 10 Cannon Street, Londonon EC4P 4BY

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-638 9216

A career appointment offering unusual scope

EUROBOND SALES MANAGER

CITY **£25,000–£35,000**

MERCHANT BANKING ARM OF MAJOR INTERNATIONAL BANK

As a result of expansion we seek experienced sales staff with comprehensive understanding of the Eurobond market. An established client base in either the Middle East, Europe or UK would be desirable. A working knowledge of the relevant languages will be an asset. Reporting to the General Manager, Eurobond Sales, the successful candidate will be responsible for developing and maintaining a good client base for the promotion and sale of Eurobonds. Extensive travel is involved. Salary negotiable £25,000-£35,000, car, pension, subsidised mortgage facility and assistance with relocation expenses if necessary. Applications in strict confidence under reference ESM4245/FT, to the Managing Director:

Opportunity to become a Corporate Finance Manager

CORPORATE FINANCE — INTERNATIONAL NEW ISSUES

CITY **£22,500–£30,000**

POWERFUL INTERNATIONAL MERCHANT BANK, LONDON — INDEPENDENT SUBSIDIARY OF MAJOR FINANCIAL INSTITUTION

To further strengthen the new issues group of the Corporate Finance department, we require graduates aged 25-33. A knowledge of the full range of Corporate Finance activities gained in not less than three years with a leading Eurobond House is essential. Familiarity with the technicalities and documentation plus the ability to plan and execute deals are necessary. As a member of a small team, the successful candidate will be responsible to the General Manager—Corporate Finance for key aspects of the effective management of new issues from inception to final completion, and will have prospects for immediate involvement in new business development. Initial salary indication £22,500-£30,000, car, pension, mortgage facility and assistance with relocation expenses, where necessary. Applications in strict confidence under reference CF4246/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-638 9216.

*(*Please only contact us if you are applying for one of the above positions)*

Deputy Financial Controller

A senior role managing a complex accounting function.

To £24,000 pa

Our client, a major American bank, wishes to appoint a Deputy Financial Controller in their investment banking business. The main area of activity is concentrated in the highly complex Eurobond market and Eurocurrency private placements.

As you will be responsible for the complete accounting function of around 10 staff and also be involved in planning, analysis and tax reporting, you will need a 'blue chip' accounting background. We would expect you to be around 27-32 with two or three years' post-qualification experience where you will have gained some knowledge of working with computers and ideally experience of auditing in the Finance/Banking sector.

Equally important is a strong, positive personality that will enable you to hold your own in the high-pressure, fast-moving world of dealers and investment bankers where you will ensure that systems and accounting practices are adhered to. This is a major career opportunity with unique potential for further progression.

The remuneration package reflects the importance of this role and is worth up to £24,000 p.a.

Please write in confidence with details of your career to date to: K. Long, Moxon Dolphin & Kerby Ltd., 178-202 Great Portland Street, London W1N 5TB, quoting ref: KL/4118/FT.

MOXON DOLPHIN & KERBY LTD

Project Accountant

In line with a broadening of our UK operations and new areas of business development we are now seeking a professionally qualified Project Accountant.

The person appointed will be responsible for development and improvement of UK accounting, reporting and management information systems. Initial activity will be concentrated on Boston Leasing Ltd., and will include the development of financial information systems and evaluation of new lease proposals.

Candidates will be in their mid 20s, ACA or ACCA, and preferably, though not essentially, with leasing and/or computer systems development experience.

In addition to a competitive salary we offer a wide range of fringe benefits that include 5% mortgage, non-contributory pension and private medical insurance.

Please apply by sending full details of education and experience to Terry Lendrum, Personnel Officer.

1784

The First National Bank of Boston
5 Cheapside, London, EC2P 2DE.

FINANCIAL CONSULTANTS

We currently offer the most comprehensive range of financial and "management package" services (but not insurance) and are about to hit the financial and fiscal consultancy market with three new sophisticated and self-selling products in the next 3 months. Our expertise links with FCAs, AIBs, Solicitors, Tax Consultants, Corporate Managers and Senior Marketing Consultants.

We require senior executive consultants to run teams of marketeers throughout the UK and Europe. The successful applicants should expect minimum earnings of £40,000 pa.

Contact:
Jim Farrow
Ballabrooie House
Peel Road, Douglas
Isle of Man
Tel: 0624 23456
Telex: 627952

Senior Management Accountant

Cambridgeshire **to £14,000 + Relocation**

Our client is a profitable wholly owned subsidiary of a major US group involved in the manufacturing of high technology rubber based components. As market leader in its field, the company anticipates turnover to expand substantially from its current level of £9 million within the next twelve months.

An ambitious, commercially minded accountant is now sought to strengthen the finance function. Reporting to the Financial Director, the successful candidate's responsibilities will encompass cash management, project appraisal, profitability studies, accounts preparation and cost investigations.

Candidates for this highly challenging and varied role should be qualified, aged 27–35, with at least 6 years' experience in a manufacturing environment. Drive, enthusiasm and an outward going personality are as important as technical ability.

Candidates should write to **Dean Gollings**, enclosing a comprehensive curriculum vitae at 24 Bennetts Hill, Birmingham B2 5QP.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

CREDIT OFFICER SHIP FINANCING

Swiss-based ship financing company active in Scandinavia and elsewhere is seeking a representative young person with initiative and ability to work independently.

The candidate should have a good commercial background as well as experience from shipping in order that he can contribute to the development of our business.

Some travelling will be involved and fluency in English and Norwegian is required as well as a working knowledge of German.

We can offer a good salary and attractive working conditions in line with Swiss banking standards.

For the right person this position represents an interesting opportunity with excellent career-furthering prospects.

Applications, with curriculum vitae, are to be sent to:
Box A8514, Financial Times
10 Cannon Street, London EC4P 4BY

Assistant Treasurer

Operations

Following a recent internal reorganisation a major UK-based industrial company with substantial overseas interests wishes to appoint an Assistant Treasurer – Operations.

The appointee will be expected to control and take responsibility for the efficient management of the Group's foreign exchange and money market operations, and will be supported by an existing team of five. In addition to this operational role the successful applicant will be expected to negotiate short term facilities, improve cash management techniques and make a major contribution to the development of policies relating to Treasury Operations matters.

Candidates will probably be in their early thirties and have had substantial relevant experience preferably in an international company, or in a bank or other financial institution. Familiarity with computer systems would be a major advantage. Depending upon age and experience, this senior appointment is likely to command a salary in excess of £20,000 p.a., an executive car and other significant fringe benefits.

Applications from suitably experienced candidates, male or female, will be treated in strictest confidence and should include CV and details of current remuneration. Write initially to Max Emmons, CRS 315, Lockyer, Bradshaw & Wilson Limited, 178 North Gower Street, London NW1 2NB. Use a cover note should you wish to indicate any company which should not receive your application.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

Charles Fulton Australia (Pty) Limited
require a
FOREIGN EXCHANGE BROKER
to work in
SYDNEY

An opportunity has arisen for a person with a minimum of two years' broking experience, preferably single and aged between 20-25, to join this expanding office.

Please send details of your employment record to date, with all relevant experience, to:
T. A. Jones, Charles Fulton (U.K.) Limited
34-40 Ludgate Hill, London EC4M 7JT

Young Taxation Specialists

Industry Commerce Banking

Currently earning £8–15,000

The demand for high-calibre tax specialists is always at a premium and our clients require committed individuals to take up a spectrum of wide-ranging positions. Consequently, we wish to hear from young ACAs, ATIIs, finalists or those qualified by experience who are interested in developing a taxation career.

The varied experience to be gained offers early responsibility and in many cases the opportunity to take advantage of above average earnings potential.

To learn more about the specific opportunities available, or to discuss your general career aspirations, contact John Sheldrake on 01-405 0442 or write to him at PO Box 143, 31 Southampton Row, London WC1B 5HY.

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Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Young ACAs

Secondment to United States

Aged 24–27 **c £15,000 + bens**

Our client is a $600 million turnover U.S. multinational public company, with diverse industrial interests specialising in advanced technology fields.

As part of the corporate development scheme, an excellent opportunity has arisen for a recently qualified Chartered Accountant to participate in the company's professional management programme.

Based in Connecticut, U.S. and London U.K., this two year programme will provide in-depth exposure to:-

★ Treasury
★ Acquisitions
★ Operational Review
★ Management Reporting

This unique training programme which will lead to excellent career development opportunities within the company.

Applicants aged 24–27, must have qualified with a large professional firm and have the presence and personal skills to communicate successfully at senior management level.

Interested applicants should contact **John Archer** on 01-242 0965 or write to Michael Page Partnership, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Senior Metals Analyst

The London Metals Research Unit of Shearson American Express is expanding its activities and requires an experienced Metals Analyst. The unit monitors the fundamental factors affecting the base, precious and strategic metals on a continuous basis. One of its prime functions is to liaise closely with and assist the group's clients, particularly with regard to hedging. It is anticipated that the successful applicant will need at least four years' relevant metals research experience, have a degree in a subject related to the metal or mining industry and be able to communicate in a lucid fashion. Remuneration is negotiable and will relate to age and experience.

Applications, enclosing a curriculum vitae, should be sent in confidence to:

D. R. Williamson, Director of Research
SHEARSON AMERICAN EXPRESS
Peninsular House, 36 Monument Street
London EC3R 8LJ

AUDIT MANAGER

We are a major international consumer products and chemical corporation with an immediate need for a qualified Chartered Accountant to manage our well-established internal audit function based in Hampshire. Candidates should have supervisory audit experience with one of the top professional practices and industrial experience with a large multi-national corporation. The right person will be an energetic, highly motivated, self-confident individual with a good commercial balance. Must communicate effectively, both orally and by written reports. Ability to speak French is of great importance and Spanish a further plus.

Reporting to the Corporate Director of Auditing in New York, the Audit Manager will be responsible for the audit function in the U.K., Europe, Africa and the Middle East. Extensive travel will be involved and the person selected must be prepared to spend up to 60% of their time visiting our extensive operations.

The function is seen as a training ground and, based on prior experience, a controllership position may be anticipated in around three years. Salary and benefits are geared to attract the right candidate.

Applicants will be interviewed in London during the week commencing March 12. Résumés, stating brief but comprehensive details of qualifications, salary and career history should be forwarded to our Corporate Director of Auditing.

Write Box A8502, Financial Times
10 Cannon Street, London EC4P 4BY

Accountancy Appointments

SHEFFIELD NEWSPAPERS LIMITED

FINANCE MANAGER

Owing to a Group promotion and reorganisation, Sheffield Newspapers Limited requires a qualified accountant with industrial or commercial experience to control and manage its accounting functions in Sheffield. He or she will be responsible for all financial and management accounting requirements of the Company, reporting directly to the Managing Director. Applicants should be below 40 years of age.

We are looking for a person with a sound technical knowledge, the ability to control a busy finance section, and the understanding and inventiveness to produce speedy and informative management accounts, including the Company's formal budgets, together with weekly and monthly reports.

The incumbent will be responsible for implementing a new Sales Ledger and other accounting systems to run on an ICL ME29 computer. A working knowledge of accounting computer applications would be a distinct advantage.

The Company is part of United Newspapers plc, an expanding group which has newspaper, magazine, printing and retail divisions in Britain and interests in the United States. Sheffield Newspapers has a turnover of around £18 million and employs over 800 staff.

The job carries a salary commensurate with the demands of this senior post, four weeks' annual holiday, a company car, and a good contributory pension and life assurance scheme.

Applications, in writing only, including a full c.v., should be submitted to Mr G. M. Toulmin, Managing Director, Sheffield Newspapers Limited, York Street, Sheffield S1 1PU, not later than 9th March 1984.

Chief Accountant

International Banking

A German bank is seeking a young Chartered Accountant with sound knowledge of bank accounting gained either in the profession or with an international bank to develop and manage the computerised accounting and information systems of its expanding London branch.

This key position requires the ability to motivate staff and qualities of enthusiasm and initiative. In addition to regular reporting procedures the appointee will take responsibility for a number of special projects, offering interest and challenge to the right candidate.

The remuneration package for the position is fully negotiable to attract candidates with the requisite experience.

Please write in confidence, quoting reference 5959/L, enclosing career details and illustrating your banking experience, to N.P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Financial controller

S. Yorkshire, c £18,000 + car

C&L

Successful and continuing to expand, the company produces and distributes a range of high quality chilled foods and canned products. Current turnover exceeds £20 million.

Responsible to the Managing Director you will play a key role in the profitable expansion of the business by the further development of computer based information and control systems. Routine accounting is under good management and so your main thrust will be commercial—business planning, squeezing costs, investigating product pricing and providing financial information prior to contract negotiation.

Probably under 35, you must be qualified, at ease with standard costs and computer systems development, and combine a high level of initiative and energy with a background in manufacturing industry.

Please write enclosing a curriculum vitae and daytime telephone number to David Britton, Executive Selection Division, Ref. B178.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Scottish Mutual House Park Row
Leeds LS1 5JG

Challenging opportunity in major high technology company . . .

DEPUTY COMMERCIAL ACCOUNTANT

Central London — **circa £17,000**

Our client is the leader in a rapidly changing field of technology with exciting prospects for growth.

Operating nationally through a divisional structure, with the headquarters located in Central London, they are now seeking to recruit a Deputy Commercial Accountant for their head office finance function. The successful candidate will be involved in a variety of special projects, initially in connection with compliance with UK and North American accounting regulations.

This is an excellent opportunity for a young qualified accountant to join a major, growth orientated organisation. The position also offers first class opportunities for career development and progression.

Candidates for this appointment will be Chartered Accountants male or female, who have had two to three years post qualification experience within either a large professional practice, commerce or industry. Emphasis will be placed on the ability to communicate effectively both orally and in writing at all levels.

Written applications containing career details should be forwarded, in the strictest confidence, to Robert N. Collier or Catherine Harrold B.A. (Cantab.) at our London office quoting reference number: 4395.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management
Recruitment Consultants

DLA

HERON

Financial Director

Avon — **c£20,000+Car**

Heron Corporation is one of Britain's largest privately-owned and most diverse groups, which has consistently grown since 1965, both organically and by acquisition. Our client, Heron Homes is a £35 million t/o division and it now seeks a high calibre Financial Director.

Candidates will ideally be Chartered Accountants in their mid-30's with previous experience in the house building/service industry environment. It is likely that the successful applicant will be currently working as a divisional Chief Accountant/Financial Controller within a major group.

Participating at divisional board level, the successful candidate will be responsible for the administration of the finance function. Meaningful contribution to profitability and growth are key to the successful fulfilment of this role.

As a consequence, numerate skills are not enough; the successful applicant must also demonstrate commercial acumen and a proven decision making capability within a comparable business environment.

Candidates should write, enclosing a comprehensive curriculum vitae to **Adrian Wheale, ACMA, ACIS** at **24 Bennetts Hill, Birmingham B2 5QP.** Please quote ref. B6150.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Chief Internal Auditor

Legal & General

£20,000+Car — **Surrey**

Legal & General, one of the largest insurance groups in Europe, with assets in excess of £7,000m., are seeking an experienced Internal Auditor to head up and develop their UK Internal Audit Department.

Applicants, who should be qualified accountants and preferably aged 30 to 40, must have had experience in the use and development of computer auditing techniques and ideally will have worked previously in a large Internal Audit Department.

The attractive fringe benefits being offered include a non-contributory pension, subsidised house purchase arrangements, free permanent health insurance and participation in the group's profit sharing scheme. Career prospects are excellent.

Please write – in confidence – to Ken Orrell ref. B.1933B.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

East Sussex

County Treasurer

Starting salary around £25,000

We are a major local authority with a turnover in excess of £250 million, a payroll of over 20,000 and recently described by consultants as demonstrating abundant evidence of innovation, entrepreneurial and managerial competence.

We need a well qualified accountant as a member of the Management Team. We shall appoint a person whose financial skills will make a major contribution to the effective planning of services and to the development of systems of financial control which enable managers to manage and to be accountable for results.

Application form and details from: County Personnel Officer, East Sussex County Council, Westfield House, County Hall, Lewes, East Sussex BN7 1RJ. Telephone requests to Susan Hammond, Lewes (07916) 5400, extension 836.

For informal discussion about the post, call: Robin Beechey, Chief Executive (extension 560).

Closing date 23 March 1984.

FINANCIAL CONTROLLER

a challenging role for a business orientated Chartered Accountant

Competitive Salary + prestige car — **Hertfordshire**

Motorola is a world leader in the development and manufacture of advanced technology electronic components and systems, and the Company's UK Automotive and Industrial Electronics Group operations are located at Stotfold, near Hitchin in Hertfordshire.

We are now planning for future growth and in reorganising our Finance function are looking for a high calibre Financial Controller to head up the Group's *financial activities in the* UK.

It's a highly responsible role and will involve supervising the Accounts Department; preparing periodical accounts, budgets and financial aspects of long range plans; ensuring that all accounting, reporting and control procedures are strictly adhered to and that accounting systems meet both the legal and reporting requirements of the USA and EEC.

The position requires a self-motivated, business orientated Chartered Accountant. A man or woman with 6–7 years' sound practical management and financial accounting experience in a major commercial or manufacturing operation. Above all, we are looking for someone with the necessary maturity, depth of experience, personality and personal authority to play a major role in the management of both the Department and the Company as a whole.

A competitive salary will be offered together with a prestige company car and an attractive benefits package.

Write with full personal and career details to Peter McCue, Personnel Manager, Motorola Limited, Automotive and Industrial Electronics Group, Taylors Road, Stotfold, Hitchin, Herts. Tel: Hitchin (0462) 730661.

MOTOROLA
AUTOMOTIVE & INDUSTRIAL ELECTRONICS GROUP

The Wellcome Trust

Deputy Director (Finance and Administration)-Designate

As a consequence of retirements, The Trustees invite applications for this post. The person appointed will be a graduate and a qualified accountant with extensive experience in the management of the finances, investments, personnel and administrative structures of organisations in the multi-million pounds category, and with the application of computer services within these areas. Executives currently earning less than £20,000 are unlikely to have the breadth of experience required. Age range 45-55.

The Trust is a registered Charity working in the fields of medical research and history of medicine with a current annual expenditure budget exceeding £18 millions.

Further particulars and an Application Form may be obtained by WRITTEN request from: The Director, at 1 Park Square West, London, NW1 4LJ. Completed application forms must be returned by 30th March 1984.

ACCOUNTANT

COMMODITY TRADING

★ International commodity trader and broker requires an Accountant to be responsible for the day-to-day running of the Accounts Department.

The successful applicant will report to the Chief Accountant but must be capable of operating without supervision and able to meet tight deadlines for the provision of management information.

★ The successful applicant will be qualified, preferably with experience in commodities, either softs or metals, or in foreign exchange, but the successful applicant will show the ability to develop this role to make a significant contribution in a commercial environment. A competitive salary will be paid. Other benefits include an annual bonus.

Applicants should mark the envelope "Private and Confidential" and write to:

Mr. R. Brown
LONCONEX LIMITED
61 St Mary Axe, London EC3A 8JB

Chartered Accountant

(CITY BACKGROUND)

to £20,000 + car

LONDON W1

Part of a wealthy and distinguished British group, this young company has returned impressive profits in its first 18 months of international trading and in line with its corporate objective of continued growth, now wishes to appoint an exceptional graduate Chartered Accountant aged 27-32 to head the finance function.

The chosen individual will progressively become involved in formulating company plans and strategy and be expected to make a major contribution to the future performance and overall development of the business.

Initially, however, the appointee will need to computerise the accounting systems, and establish monthly reporting procedures. Other areas of direct responsibility embrace treasury and cash management, including the investment of funds and foreign exchange, as well as the construction of various financial packages for certain select clients.

Integrity, determination and a conceptual accounting mind are pre-requisite qualities for this role. Career rewards are quite appreciable.

Sedgwick, Sedgwick & Goodyer
170 Bishopsgate, London, EC2M 4LX. 01-283 3621
Senior accountancy & financial management selection

Accountancy Appointments

Astute accountants for management consultancy

Bristol or Reading based

C&L

Coopers & Lybrand Associates Limited is one of the UK's largest and most diverse firms of management consultants. To meet the increasing demand for our services in the South and South West we are continuing to expand our regional consultancy operation and are looking for experienced accountants of high intellectual ability who are able to demonstrate innovative yet practical solutions to client needs.

you must be...

- aged 26-34
- a graduate, professionally qualified and have at least three years' experience in industry or commerce
- willing to travel
- keen to develop your business skills.

we offer...

- a dynamic multi-disciplinary environment
- exposure to a wide range of industries and modern management techniques
- an attractive remuneration package
- rapid career and earnings progression.

If you would like to join us, please send your résumé, including a daytime telephone number, to Alan Latham quoting Ref. FLB 20/15.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Nelson House Rupert Street
Bristol BS1 2QA

Combine line management with project responsibility...

– Financial Services –

South East **c£16,000+benefits+relocation**

Our client, a very well known UK financial services company, is an established market leader in its field. A period of continuous growth has necessitated the recruitment of a further qualified Accountant to act as an integral member of the financial management team.

The position involves line responsibility for the financial accounting function, with considerable further responsibility for ad hoc financial assignments and systems project development.

Candidates should be aged 28+ with either management experience in the profession or commercial experience in a sophisticated, computerised accounting environment. Sound interpersonal skills are essential as considerable emphasis is placed on senior level lines of communication.

Applicants possessing the relevant experience, should write enclosing a full C.V. to **Roger Tipple, MA**, Banking and Finance Division, Michael Page Partnership, Sicilian House, Sicilian Avenue, London WC1A 2QH quoting reference 3362, or phone 01-242 0695 for an informal discussion of this interesting vacancy.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Financial Accountant

to £16,000 per annum
Chatham

The Corporation of Lloyd's, the world renowned insurance organisation, has a vacancy for an experienced, qualified Accountant for the Accounts Department of 46 staff based at Chatham.

Reporting to the Accounts Manager, the Financial Accountant will be responsible for a staff of 18 involved in a range of activities related to financial and management accounting system. Candidates must have CA or ACCA and at least 4 years post qualification experience. Age is not important, but candidates must have substantial experience with computerised financial/management accounting systems in a commercial environment at a supervisory level.

In addition to the above salary, Lloyd's offer an excellent fringe benefit package including a non-contributory pension, and annual bonus. Full re-location assistance is available where appropriate and, as would be expected from such an organisation, there are substantial opportunities for further development.

To apply, please write, in strict confidence, with full CV to Mr. R. P. Hannam, Personnel Officer, Corporation of Lloyd's, Gun Wharf, Dock Road, Chatham, Kent.

LLOYD'S OF LONDON

Hanson Trust PLC

Financial Comptroller

Hanson Trust PLC requires an ambitious Financial Comptroller to join its small central management team based in London.
Hanson Trust is one of the foremost growth companies of the last two decades and is committed to a continuation of this growth both organically and by acquisition in the UK and the USA where over half the group's businesses are situated.
Many of the senior management positions in the group have been filled in the past from members of the central team and the position therefore offers enormous scope for an ambitious and energetic accountant.
The successful applicant, male or female, will be a chartered accountant, 30–35 with a good academic background and progressive experience in practice and industry.
A substantial salary will be paid and generous fringe benefits, including car, are available.
Applications should be made to:

The Financial Director,
HANSON TRUST PLC,
180 Brompton Road,
London SW3 1HF.

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Consultant Accountants

London, Midlands, NW.
c£20,000+car

A major international practice seeks practical qualified accountants for its generalist industrial consulting team. They will cover MIS review and development, cost, pricing and profit studies, business and market strategy and product development. The vacancies arise from current and forecast growth.

Candidates must be qualified accountants aged 26-35 preferably graduates, with experience in demanding industrial environments, systems development exposure and some evidence of above average achievement. Heading specialist functions in a large group would be more relevant than being a generalist in small companies.

For full job description write in confidence to Mark Lockett at JC&P, Selection Consultants, 104 Marylebone Lane, London W1M 5FU, showing clearly how you meet our client's requirements, quoting 7146/FT. Both men and women may apply.

JC&P
John Courtis and Partners

FINANCIAL CONTROLLER

Experienced in decision making to report to Managing Director.

Good growth rate over past eight years in the micro-computer field encourages this company to continue to expand.

Therefore, suitable applicants must have practical experience in planning, budgetary control and providing up-to-date management information.

Write or telephone for application forms to:
SUMLOCK BONDAIN LTD
263-269 City Road, London EC1V 1JX
Telephone 01-250 0505

Systems Accountants

Define and formulate advanced commercial systems for a major international oil company

Our client is one of the world's leading oil companies, with significant interests in the North Sea. To match their rapid growth, the company is streamlining its accounting procedures with new and enhanced systems.

They are committed to the extensive use of sophisticated information systems and wish to strengthen still further the Corporate Systems Control Accounting team by appointing several key individuals.

The positions cover a spectrum of experience for qualified accountants of several years' standing (ACA, ACCA or ACMA) or part-qualified accountants.

The Systems Control Accounting Function provides an essential interface between the Accounting and Computer functions, so a proven ability to assist in developing new and enhanced systems is an essential requirement.

If you have similar experience in a comparable environment within industry, or with a major accounting consultancy, this is an opportunity for a career in a successful international company.

Starting salaries are highly competitive and an excellent benefits package is offered which includes subsidised BUPA and a valuable non-contributory pension scheme.

Please write in the first instance with full details of your career to date to:
K. Long, Moxon Dolphin & Kerby Ltd., 178-202 Great Portland Street, London W1N 5TB, quoting ref: KL/4114/FT.

Please state in a covering letter any companies to whom your application should not be sent.

MOXON DOLPHIN & KERBY LTD

océ

Financial Managers

Loughton, Essex **Salary range £11–14,000 + car**

The Océ Group has over 60 years reprographic experience in Europe and has a worldwide customer base. Since 1979, Océ Copiers (UK) Ltd have grown at a dynamic rate with a current turnover of £10 million and the UK operation is now planning to strengthen the finance team in the Head Office at Loughton.

Chief Accountant

To be responsible for a staff of 17, covering statutory financial accounting, credit management, sales accounting and order entry. The successful candidate will be a qualified Accountant (probably ACMA/ACCA). Age indicator 30–35 and a starting salary of circa £14,000 plus car is envisaged.

Financial Accountant

To be responsible for a staff of 3 covering purchase ledger, nominal ledger, payroll and statutory financial accounts. The successful candidate will probably be a finalist or newly qualified Accountant. Age indicator 25-30 and a starting salary circa £11,000 is envisaged.

Both positions require excellent communication and man-management skills, the ability to work under pressure and the drive to grow with the company.
The company offers membership of BUPA, permanent health insurance and a contributory pension scheme.
Candidates should write enclosing a comprehensive curriculum vitae to either Andrew Sales, FCCA, or Bob Williams; quoting ref. 995, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

SENIOR FINANCIAL ACCOUNTANT

A major international company in the service industry is currently seeking a qualified/part-qualified man or woman, aged 25-35, to act as Senior Financial Accountant.

The successful applicant will have experience in the service industry in the following areas:—

Dual-currency accounting
Systems auditing
Accounting systems using micro-computers

Good man-management skills are essential in this demanding role and promotion prospects are available as the company continues its current expansion.

The person appointed can expect a competitive five-figure salary and the benefits you would associate with a forward-thinking company.

Please apply with full career details to date to Box A8503, Financial Times, 10 Cannon Street, London EC4P 4BY

Finance Director

Lancashire **£18,000 plus Car**

This progressive company is a profitable subsidiary of one of the largest and most successful diversified British Groups. Ambitious, yet realistic plans for the future have created an immediate requirement for a forward-looking, committed and enthusiastic accountant with the necessary management ability to take increasing responsibilities. It is an outstanding career opportunity that will satisfy the most demanding applicant. Preferred candidates will have a good knowledge of costing systems in a manufacturing environment and a thorough appreciation of data processing applications, together with a positive personality that is results orientated.

Applications are welcomed from men and women

Please send full career and personal details to John Overton, F.C.A., Overton Management Selection Limited, Monaco House, Bristol Street, Birmingham, B5 7AS or telephone 021-622 3838 for an application form, quoting reference 8/1149.

OVERTON MANAGEMENT SELECTION

Accountancy Appointments

Our client is a major division of Hanson Trust PLC, one of the largest and most rapidly expanding UK groups with a combined turnover approaching £2,000m. As a result of a major reorganisation, the following three vacancies have been created at operating company level.

Financial Controller

Southampton — **around £17,500 + bonus + car**

Reporting to the Financial Director, the candidate appointed will be responsible for all aspects of the finance function of a highly successful international subsidiary (T/O £150m). Working closely with senior management, he/she must have a commitment to high professional standards and the achievement of tight reporting deadlines, within a multi-currency environment. Applicants must be qualified accountants, preferably Chartered, aged around 30. Retail experience would be an advantage. Ref. 1299/FT.

Recently Qualified

Home Counties — **around £15,000**

Chartered Accountants, male/female, preferably with a degree, who are seeking to make their first move into commerce, will find that the fast-moving world of Hanson Trust offers opportunities rarely encountered within a single organisation. The two vacancies initially will involve working closely with the Financial Director of this division's major subsidiary company (T/O £180m) on a variety of assignments, designed to acquaint the successful candidates with all aspects of the company's operations prior to assuming line financial responsibility within twelve months. Ref. 1300/FT.

Write or telephone for an application form, quoting the relevant reference number, or send full details to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156. (24 hours).

Phillips & Carpenter
Selection Consultants

SENIOR ACCOUNTANT

Hatfield, Hertfordshire

Starting Salary c£17,500

The Lee Valley Water Company supplies a population of about 1 million over an area of 860 square miles to the north of London. The Company, which is quoted on the Stock Exchange and operates within the framework of various Water Acts, has an annual revenue of £18m and net assets in excess of £32m.

The Company is developing its financial information systems to meet future demands and now seeks an experienced accountant to run the financial accounting function and to take a leading role in computer systems development. Applicants should have the experience and personality to improve budgetary control techniques and produce financial information for all levels of management.

Excellent conditions of service are provided. Assistance with both relocation expenses and mortgage will be given where appropriate.

Applicants, who should be qualified accountants ideally in their thirties, should send their curriculum vitae with details of salary progression to Mrs. Wendy Trim, Personnel Department, Lee Valley Water Company, Bishops Rise, Hatfield, Herts., to arrive not later than 19th March, 1984.

LEE VALLEY WATER COMPANY

REUTERS

Financial Management

Central London — **around £18,000**

As a result of internal promotion a vacancy has arisen in the European finance business analysis section for a self-motivated, qualified accountant, who (supported by a small staff) will be responsible for providing senior management with high quality analytical financial information to assist in business planning and control. Our Client is a world leader in the provision of information services to the media and the financial community and is UK based with establishments in over 70 countries and a rapidly increasing turnover. Working closely with senior technical and marketing management the successful candidate will be expected to display a high aptitude in the use of micro computer system applications and will be given every opportunity to progress within the Group. Applicants (male/female) aged late 20's must have already gained commercial experience in a fast moving business environment. Ref. 1301/FT. Write or telephone for an application form, or send full details to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

MERCANTOIL PLC

FINANCIAL DIRECTOR

HINDHEAD, SURREY — **£25,000 + benefits + car**

Mercantoil is a holding company co-ordinating and financing the activities of group companies engaged in the supply of advanced equipment systems and services to the Offshore Oil and Petrochemical Industries.

We are looking for a Financial Director to join our management team based near Guildford in Surrey—the essential requirements being the ability to combine professional discipline with entrepreneurial flair.

Age indicator: 35-45
FCA essential
MBA preferred

Please write in confidence to:
Captain S. A. N. Le Fevre — Director
MERCANTOIL PLC
Grove House
Grayshott, Hindhead
Surrey GU26 6LE

Mktg. Accountant

£15,000 + Car

Our client, a highly successful FMCG group is poised for further substantial growth. They now have an excellent opportunity for an ambitious qualified chartered accountant, who will be a key member of a small team responsible for the evaluation of financial performance, the production and interpretation of forecasts and preparation and analysis of sales and marketing plans.
Aged 25-30, you must be adaptable, commercially aware and have the ambition and desire to succeed in a company that can offer excellent career promotion and remuneration prospects. W. London Ref. 7515

Financial Analyst

c.£13,000 + Car

This exciting opportunity has arisen in a high growth computer manufacturing group with fast expanding markets throughout *Europe.*
Visiting and working closely with senior business managers in France, Italy and Belgium you will be responsible for sales and marketing plans, cash management and foreign exchange forecasting.
A graduate newly qualified (ACA/ICMA) accountant you should have sound accounting and analytical skills combined with the ambition to move into a line management role within two years.
W. London Ref. 7752

Controllership Potential

c.£13 – £15,000 + Benefits

High job satisfaction is undoubtedly one incentive offered by this progressive and dynamic Hi-Tech company.
Liaising at director level you will have responsibility for managing the financial affairs of the group, advising on commercial and financial matters and providing meaningful management information.
Ideal candidates (25-35) will have professional or commercial experience, sound technical skills, a flair for innovation and the desire to succeed within a rapidly expanding company. London Ref. 7751

Corporate Finance

£14,000 + Mortgage

One of the leading merchant banks currently requires a young *qualified accountant for a challenging role within a high pressure* environment. Trained in acquisitions, mergers, business development and corporate finance your ability to deal with client's senior management is essential.
This key position provides the perfect platform for a banking career and will require drive, initiative and the ambition to succeed. City Ref. 7698

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Audit Manager

c£19,000 Plus Car

TSB Trustcard Limited was established in 1978. It has over two million cardholders and a market share in excess of 13 per cent. It is the third largest issuer of bank credit cards in the United Kingdom and is still expanding rapidly.

The Company wishes to strengthen its senior management team by the appointment of an Audit Manager responsible for financial and computer systems auditing. The manager will be expected to advise on necessary controls and procedures and will be accountable for the setting up and managing of audit programmes for all areas of the company.

The successful applicant will be a qualified accountant with either experience in the computer audit department of a large professional firm or extensive experience in the internal audit department of a company with well developed computer system auditing procedures.

In addition to an attractive starting salary, Trustcard can offer a wide range of benefits including subsidised mortgage, non contributory pension scheme and relocation assistance, if necessary.

Applications giving details of career to date to:

TSB TRUSTCARD

Peter Langston,
Personnel and Training Executive,
TSB Trustcard Limited,
93/94 Queens Road, Brighton BN1 3XE.

THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

Finance Officer

The School is seeking to appoint a Finance Officer. Following re-organisation of the School's administrative structure the Finance Officer will be one of three senior officers reporting to the Secretary, who has responsibility to the Director for the administration of the School. The Finance Officer will advise on financial planning and will be responsible for budgeting and financial control, for management accounting and information, the continued development of financial computer systems and the day-to-day management of the financial division of the School's administration. Candidates should be professionally qualified with broad financial experience and an interest in pursuing their career in a stimulating academic environment. The successful candidate will play a full part in the general administration of the School. It is hoped that the successful candidate will be able to take up appointment by October 1 1984.

Salary will be within the Grade IV range of the salary structure for administrative staff in universities (professional equivalent range).

Further particulars of the appointment and application forms are available from the Secretary, London School of Economics and Political Science, Houghton Street, London WC2A 2AE. Closing date for applications: 26 March 1984.

MANAGEMENT ACCOUNTANT

Lombard Tricity Finance Limited, a wholly-owned subsidiary of the National Westminster Bank, is a leading finance company.

We require a young Accountant who is ambitious, hardworking and has initiative.

The successful applicant, who will report directly to the Chief Accountant, will help control a team actively involved in the preparation of monthly accounts and will be closely involved in the production of annual and long range forecasts for the Board.

Essential requirements are an A.C.A. qualification, with experience gained in a medium/large professional firm, the ability to work under pressure and to strict timetables, and some experience in financial planning would be an advantage, as would a desire to be involved in Computer systems. Excellent conditions of service include 25 days annual leave, a non-contributory pension and free life assurance scheme, B.U.P.A., mortgage subsidy scheme, profit sharing, subsidised lunches, and a commencing salary according to age and experience.

Please write with detailed C.V. to:—

Mrs. Stella Fancourt,
Senior Personnel Officer,
Lombard Tricity Finance Limited,
Lombard House, Baird Road,
Enfield, Middlesex EN1 1TP

(A Member of the National Westminster Bank Group)

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY
RATE £34.50 PER SINGLE COLUMN CENTIMETRE

Financial controller

Norfolk, c £16,000, car + excellent benefits

C&L

This is an opportunity to join a substantial and successful organisation providing a specialised financial service throughout the area.

In a key position at head office you will work closely with the Chief Executive to develop plans for continued expansion. The initial emphasis will be on the improvement of management information and product costing systems increasing the use of the in-house computer. Prospects for further advancement are excellent.

A qualified accountant in your 30s, experience of the financial sector is not a requirement but the ability to maintain sound financial controls and develop practical management reporting systems is vital.

Please write enclosing a curriculum vitae and daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B175.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

Financial Director

Home Counties — **c.£27,000**

Our client is a major international group, manufacturing and selling, a range of market leading, fast moving, consumer goods. Their U.K. operations are well established, expanding and profitable, and a new *Financial Director for this division is now required as part of a growth* orientated reorganisation.

He or she will be expected to make a major contribution to the senior management team headed by the *Managing* Director. The department itself is large and divided between the financial accountancy, management reporting, cash and credit control and EDP functions. Key activities will include developing this structure and progressing the use of data processing in line with the future needs of the business.

Candidates should be qualified accountants, of graduate calibre, aged in their 40's or late 30's. They must have considerable experience of a line finance role, at operating unit level, in a high volume manufacturing environment, extensive knowledge of EDP, and a record of successfully managing change.

In addition to a salary of c.£27,000, remuneration will include eligibility for a significant bonus opportunity, executive car and other relevant benefits. Relocation expenses will be paid if appropriate.

Please reply, in complete confidence, with full career details, quoting reference 1453, to David Thompson, who is advising on this appointment.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD

Finance Controller

London Circa £27,500 + car

British Telecom International (BTI) is the world's leading international telecommunications service provider. It forms a separate self-accounting division within British Telecom and in 1982/83 had a turnover of £1,100m and a profit of £200m. During 1984/85 British Telecom will become a PLC. This change reinforces BTI's requirement for financial systems to match its technological and market place lead.

We now seek to appoint a Finance Controller whose primary objective will be to manage and further develop BTI's financial and management accounting services. The Finance Controller will report directly to the Chief Finance Officer of BTI.

The successful candidate will be a professionally qualified graduate accountant, aged 30 to 40, with a track record of financial management responsibilities in a major public company, probably a multi-national.

This position will be of interest to an ambitious and able accountant who would welcome the challenge of managing the accounting function in a substantial and rapidly growing business enterprise at the forefront of the information technology revolution.

Applications in the form of a detailed curriculum vitae, which will be treated in the strictest confidence, should be sent to: Roy Nicoll, Associate Personnel Director, British Telecom International, Holborn Centre, 120 Holborn, London EC1N 2TE.

British
TELECOM
International

Financial Controller

Berkshire — **£18,000 + car**

Our client is a small but highly successful UK company, a subsidiary of a US parent, which markets, distributes and, to a lesser degree manufactures security systems. Operating at three main sites: London, Manchester and Glasgow, the annual turnover is £6 million.

A qualified Accountant is now sought to re-appraise and improve the accounting systems with particular emphasis on up-dating reporting procedures. Aged 35-40 the successful candidate will have had previous exposure to a marketing-orientated environment, together with considerable systems experience.

Strength of character is a key factor in this appointment which works closely with the Managing Director and Sales Management in order to achieve corporate objectives. For someone with initiative and commercial acumen, this role offers a challenging and rewarding career.

Candidates should write to Philip Cartwright ACMA, enclosing a comprehensive curriculum vitae, quoting ref. 993, PO Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

The Institute of Chartered Accountants in England and Wales

Results of Professional Examination II held in December 1983

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A

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Acheson, M. P. (Touche Ross & Co), London
Ackland, R. C. (Longcrofts), London
Adams, D. K. (Bates, Foston & Co), Derby
Adams, J. B. (Menzies Middleton Hawkins & Co), Woking, Surrey
Adler, H. N. (Stoy Hayward & Co), London
Agar, F. E. (Hodgson Harris), Hull
Agar, I. C. F. S. (Thomas May & Co), Leicester
Ahmad, M. (Thornton Baker), Leeds
Hahmed, J. (S. Syedain & Co), London
Ahmen, K. Y. (Hughes Allen), East Molesey, Surrey
Ala, Q. M. S. (Price Waterhouse), London
Ali, S. F. (Sproull & Co), Harrow, Middx
Allen, P. R. (Thornton Baker), London
Amanullah, N. (Blick Rohtenberg & Noble), London
Amin, K. (Price Waterhouse), London
Amis, R. H. C. (Peat, Marwick, Mitchell & Co), London
Anderson, M. I. (Binder Hamlyn), Wolverhampton
Andrews, L. M. (Saffery Champness), Woking, Surrey
Andrews, R. J. (Price & Company), Eastbourne, E. Sussex
Anthony, D. S. (Price Waterhouse), London
Anthony, J. P. (Ernst & Whinney), London
Anthony, R. N. (Deloitte Haskins & Sells), Southampton
Antleul, R. E. (Touche Ross & Co), London
Appleby, R. P. (Coopers & Lybrand), London
Archer, H. S. (Jeffreys Henry Rudolf & Marks), London
Arthur, S. J. (Spicer and Pegler), Cardiff
Ashcroft, J. (Coopers & Lybrand), London
Asplin, M. (Peat, Marwick, Mitchell & Co), Birmingham
Atashroo, A. (Levy Gee), London
Atkinson, C. J. (Deloitte Haskins & Sells), London
Attwell, D. C. (Smallfield, Fitzhugh, Tillett & Co), London
Aubin, N. C. (Turquands Barton Mayhew & Co), Jersey, Channel Islands
Austin, M. S. (Peat, Marwick, Mitchell & Co), London
Avery, C. (Athur Andersen & Co), London
Axon, M. (Shipley Blackburn), London

B

Babb, C. (Temple Gothard), London
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Bagnall, A. R. (Touche Ross & Co), Birmingham
Bailey, S. A. F. (Reeves & Neylan), Forfar, Angus
Bailey, S. R. P. (Peat, Marwick, Mitchell & Co), London
Bain, M. M. (Price Waterhouse), London
Bains, J. E. (Price Waterhouse), Birmingham
Baker, D. (Ball Baker), London
Baker, N. C. (Touche Ross & Co), Wolverhampton
Baker, P. A. (Thornton Baker), Liverpool
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Balm, C. J. (Thomson McLintock & Co), Manchester
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Bansal, D. (Peat, Marwick, Mitchell & Co), Birmingham
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Barr, P. B. (Spain Brothers & Co), London
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Barron, J. M. (Bright Grahame Murrey & Co), London
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Barton, R. A. (Peat, Marwick, Mitchell & Co), Leeds
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Batki, M. D. (Price Waterhouse), Birmingham
Batra, A. K. (Haines Watts), Reading
Bax, S. T. (Stoy Hayward & Co), London
Bayoumi, O. H. (Price Waterhouse), London
Beaney, N. J. (Price Waterhouse), London
Beanland, R. J. C. (Spicer and Pegler), Bristol
Beardall, I. M. (Moore, Stephens & Co), London
Bearpark, N. (Price Waterhouse), Bristol
Bebbington, A. C. (Peat, Marwick, Mitchell & Co), London
Beecham, C. R. (Coopers & Lybrand), London
Belcher, C. A. (Peat, Marwick, Mitchell & Co), Stoke-on-Trent
Below, P. K. (Finnie Ross Allfields), London
Belsham, W. J. (Thornton Baker), London
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Berry, I. B. (Dearden Farrow), Bristol
Berry, R. (Ernst & Whinney), London
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D

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Dickinson, S. G. (Coopers & Lybrand), Liverpool
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Drew, T. A. (Pannell Kerr Forster), London
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Dyer, P. H. (Coopers & Lybrand), Bristol

E

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Evans, N. G. (Hillier, Hopkins & Co), Hemel Hempstead, Herts
Evans, N. R. (Muras, Baker, Jones & Co), Wolverhampton
Ewe, L. H. (Blick Rothenberg & Noble), London
Ewen, N. E. (Train Scott), Barking, Essex

F

Fagan, E. F. (Touche Ross & Co), Newport, Gwent
Farmery, D. K. (Thomson McLintock & Co), London
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Farthing, S. M. (Hugill & Co), Huntingdon, Cambs
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Fegan, M. M. (Comins & Co), London
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Fenoz, M. R. (Price Waterhouse), London
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Finch, J. (Callingham Crane), Leatherhead, Surrey
Finch, M. A. (Peat, Marwick, Mitchell & Co), Norwich
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Fitzgerald, N. (Binder Hamlyn), London
Fitzpatrick, A. M. (Lithgow, Nelson & Co), London
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Ford, L. A. (Arthur Young McClelland Moores & Co), London
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Fox, D. T. (Beavis Walker), London
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Fuller, D. J. (Hornsby Perrin), Eastbourne, E. Sussex

G

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Gash, C. A. (Hodgson Harris), Hull
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Gibson, K. P. (Peat, Marwick, Mitchell & Co), Birmingham
Gigg, K. H. (Thornton Baker), Kettering, Northants
Gill, A. K. (Nash Broad & Co), London
Gilpin, M. J. (Binder Hamlyn), Newcastle upon Tyne
Gilthorpe, D. A. (Ernst & Whinney), Newcastle upon Tyne
Gittins, P. T. (Dearden Farrow), Croydon
Glading, H. H. (Dearden Farrow), London
Glover, D. F. (Peat, Marwick, Mitchell & Co), Bradford, W. Yorkshire
Godding, D. E. (Monahan & Co), Swindon
Goh, A. (Coopers & Lybrand), London
Gonsalves, G. (Citroen, Wells & Partners), London
Goodey, M. J. N. (Messon, Makinson & Co), Richmond, Surrey
Goodman, M. J. (Spicer and Pegler), Birmingham
Gool, L. H. (Auerbach Hope), London
Gooi, M. C. (Chalmers, Impey & Co), London
Gould, L. J. (Coopers & Lybrand), London
Gowdy, B. A. (Evans, Pearce & Co), Portsmouth
Grant, D. N. (Simla Farra & Co), Ilford, Essex
Grant M. I. (Pearson May & Co), Bath
Grant, R. B. (Touche Ross & Co), London
Gray, S. A. J. (Deloitte Haskins & Sells), London
Grayson, R. W. (J. Nicholson & Co), Lincoln
Greatorex, M. D. (Deloitte Haskins & Sells), Manchester
Green, A. D. (Thornton Baker), Aylesbury, Bucks
Green, A. C. (Touche Ross & Co), Birmingham
Green, C. M. (Arthur Young, McClelland Moores & Co), Newcastle upon Tyne
Green, J. D. (Deloitte Haskins & Sells), Liverpool
Green, S. J. (Pannell Kerr Forster), London
Greene, J. H. (Arthur Andersen & Co), Manchester
Greenhalgh, P. (Binder Hamlyn), Manchester
Greenwood, A. (Haines Watts), Manchester
Gresham, P. R. (Peat, Marwick, Mitchell & Co), London
Grierson, W. A. (Stephenson, Smart & Co), Peterborough
Griffiths, P. C. (ThomsonMcLintock & Co), Manchester
Grindell, C. P. (Thornton Baker), Northampton
Grocott, A. P. R. (Clark Whitehill), London
Grover, K. A. (Mercer & Hole), St Albans, Herts
Groves, A. J. M. (Kidsons), London
Guise, W. L. (Hodgson Harris), London
Gullati, R. (Thornton Baker), Bristol
Gulrajani, R. (Braham, Valentine & Co), London
Gunson, P. J. (Kneeshaw Moffatt), Burnley, Lancs
Guy, J. E. (Thornton Baker), Birmingham

H

Habbershon, S. N. (Robson Rhodes), Leeds
Hadley, G. (Binder Hamlyn), Sheffield
Hadley, K. E. (Price Waterhouse), Manchester
Halhead, R. J. (Longcrofts), London
Hall, C. G. (Newby, Castleman & Co), Leicester
Hall, D. C. (Friend-James, Sinclair & Yarnell), Brighton, E. Sussex
Hall, P. S. (Thomson McLintock & Co), Leeds
Hallam, A. (Blythens), Nottingham
Hallam, A. L. (Ensors), Ipswich
Halliday, M. J. (Ernst & Whinney), London
Halstead, E. L. (Deloitte Haskins & Sells), London
Hammans, N. C. (Thornton Baker), Hove, E. Sussex
Han, J. J. (Charles Wakeling & Co), Croydon
Handford, A. P. P. (Wilson, de Zouche & Mackenzie), Liverpool
Handy, G. A. (Arthur Young McClelland Moores & Co), London
Hannah, D. W. (Pole, Arnold & Co), Leicester
Hardiman, D. K. (Brooking, Knowles & Lawrence), Basingstoke, Hants
Harding, M. C. (Dixon Wilson & Co), London
Hargrave, R. (Neville Russell), London
Hargreaves, D. A. (John A. Roberts & Co), Chesterfield, Derbyshire
Hargreaves, M. J. (Coopers & Lybrand), Middlesbrough, Cleveland
Harman, N. E. (Peat, Marwick, Mitchell & Co), London
Harper, J. (Peat, Marwick, Mitchell & Co), Birmingham
Harper, P. (Parnell Kerr Forster), London
Harris, A. J. (Ernst & Whinney), London
Harris, B. M. (Finnie Ross Allfields), London
Harris, G. M. (Deloitte Haskins & Sells), Bristol
Harris, J. T. G. (Hill Vellacott), Northampton
Harris, V. A. (Finnie Ross Allfields), London
Harrison, A. M. (Thornton Baker), Ipswich
Harrison, L. G. (Thornton Baker), Worthing, W. Sussex
Harrison, P. J. (Deloitte Haskins & Sells), London
Hart, C. J. (Dearden Farrow), London
Harvey, M. T. C. (Allen, Baldry), Guildford, Surrey
Hassell, E. F. (Buzzacott & Co), London
Haswell, R. S. E. (Farmiloe & Co), Birmingham
Hatton, T. D. M. (Ernst & Whinney), London
Hayden, J. E. (Arthur Young McClelland Moores & Co), London
Hayes, P. M. (Clarks), Slough
Haynes, J. S. R. (Thornton Baker), Nuneaton, Warwickshire
Hayward, J. A. W. (Touche Ross & Co), London
Hayward, S. (Thornton Baker), Kettering, Northants
Hazzard, T. J. (Thornton Baker), Oxford
Heald, C. J. (Deloitte Haskins & Sells), London
Healey, R. J. (Price Waterhouse), London
Heappey, B. A. (Cooper-Parry, Watson, Sower & Co), Derby
Hedges, M. S. (Deloitte Haskins & Sells), London
Henry, H. S. (Chalmers, Impey & Co), Liverpool
Heppenstall, K. D. (Peat, Marwick, Mitchell & Co), Sheffield
Hepple, S. (Thompson, Jenner & Co), Exmouth, Devon
Hepton, K. E. (Price Waterhouse), Leeds
Heron, S. (Spicer and Pegler), Newcastle upon Tyne
Hesketh, M. J. (Touche Ross & Co), Manchester
Heuck, D. C. (Hodgson Harris), Hull
Hewitt, K. L. (Deloitte Haskins & Sells), London
Hewitt, P. (Thornton Baker), Bournemouth, Dorset
Hextall, S. J. (Arthur Young McClelland Moores & Co), London
Hicks, S. A. (Dearden Farrow), London
Hill, J. S. (Hogg, Bullimore & Co), London
Hill, M. (Deloitte Haskins & Sells), Manchester
Hill, P. E. J. (Peat, Marwick, Mitchell & Co), London
Hill, R. P. (Rothman, Pantall & Co), London
Hill, V. A. (Deloitte Haskins & Sells), London
Hilton, C. S. (Russell Limebeer), London
Hirst, D. A. (Ernst & Whinney), London
Hitchenor, T. L. (Robson Rhodes), Wolverhampton
Ho, N. C. (Price Waterhouse), London
Ho, P. K. (Everett Pinto), London
Ho, V. K. Y. (Ernst & Whinney), London
Hobart, T. (Keelings), London
Hodgkiss, J. A. (Pridie Brewster), London
Hodgson, N. R. H. (Coopers & Lybrand), Guernsey, Channel Islands
Holden, D. G. (Armitage & Norton), Huddersfield
Holland, J. T. (Arthur Andersen & Co), Bristol
Hollinshead, P. G. (Mark J. Rees & Co), Leicester
Holmes, W. (Arthur Andersen & Co), Leeds
Holroyd, I. J. T. (Deloitte Haskins & Sells), Birmingham
Holton, D. P. (Touche Ross & Co), London
Hong, H. L. (Keyse, Poulter, Partners & Co), London
Hoodbhoy, F. S. (Ernst & Whinney), London
Hooper, P. (Kidsons), Birmingham
Hope, D. A. (Pannell Kerr Forster), Leicester
Hope, D. J. (Price Waterhouse), London
Hopkins, P. M. (Thornton Baker), Manchester
Horne, B. (Callingham Crane), London
Hosemann, P. J. (Sheen Stickland & Co), Farnham, Surrey
Hoskins, J. A. (Pannell Kerr Forster), London
Hoskins, N. D. (Deloitte Haskins & Sells), London
Howard, A. P. (Stephenson, Smart & Co), Peterborough
Howard, M. G. (Goodman Jones), London
Hudson, B. J. (Deloitte Haskins & Sells), London
Hudson, J. C. (Peat, Marwick, Mitchell & Co), Sheffield
Hudson, K. M. (Burman & Co), Birmingham
Hudson, N. J. (Ernst & Whinney), Bideford, Devon
Hudson, P. D. (Hazlewood & Co), Gloucester
Huelin, G. A. (Arthur Young McClelland Moores & Co), Jersey, Channel Islands
Huggins, N. E. (Carter, Edmonds & Co), Norwich
Hughes, D. (Deloitte Haskins & Sells), Liverpool
Hughes, N. G. (Smith & Williamson), London
Hughes, S. (Keens, Shay, Keens & Co), Luton
Hunter, A. D. H. (Touche Ross & Co), London
Hunter, C. F. (Arthur Young McClelland Moores & Co), Bradford, W. Yorks
Huntington, D. (Peat, Marwick, Mitchell & Co), Manchester
Hurst, G. B. (Peat, Marwick, Mitchell & Co), Middlesborough, Cleveland
Hush, G. J. (Greaves, West & Ayre), Berwick-upon-Tweed
Hussain, Z. (A. Khan & Co), Manchester
Husain, M. S. B. (Touche Ross & Co), London
Hutton, A. J. (Hughes Allen), East Molesey, Surrey
Hutton, M. (Coopers & Lybrand), Leeds
Huxtable, I. R. (Deloitte Haskins & Sells), London
Huyton, S. J. (Peat, Marwick, Mitchell & Co), Birmingham

I

Ibbetson, S. J. (Pannell Kerr Forster), Leeds
Ibbotson, N. J. (Coopers & Lybrand), Birmingham
Illingworth, N. M. (Peat, Marwick, Mitchell & Co), Bradford, W. Yorkshire
Ingles, S. R. (Moore, Stephens & Co), London
Ioannou, C. E. (Fraser Keen), London
Issacharoff, L. J. (Jayson Arnold & Fowell), London
Ivey, G. (Touche Ross & Co), London
Iyadurai, G. C. (Plummer Parsons), Eastbourne, E. Sussex
Iyengar, G. S. (Touche Ross & Co), Birmingham

J

Jack, S. A. (Price Waterhouse), London
Jackson, P. J. (Deloitte Haskins & Sells), London
Jacobs, H. S. (Arthur Young McClelland Moores & Co), Manchester
James, A. K. (Price Waterhouse), London
James, A. M. (Martin & Acock), Norwich
James, S. A. (Robson Rhodes), Bradford, W. Yorkshire
Jani, R. C. (Spicer and Pegler), London
Jarvis, I. N. (Bromhead & Co), Plymouth
Jarvis, T. D. (O'Shea and Fairgrieve Partnership), Cowbridge, S. Glamorgan
Jayakumar, V. (Chalmers, Impey & Co), Birmingham
Jeater, M. S. L. (Coopers & Lybrand), Reading
Jefferson, S. M. (Deloitte Haskins & Sells), Newcastle upon Tyne
Jeffreys, D. C. (Deloitte Haskins & Sells), Bristol
Jeffries, M. R. (Ellacott, Stranks & Co), Northampton
Jenkinson, G. W. D. (Peat, Marwick, Mitchell & Co), Leeds
Jermy, M. P. (Larking, Gowen & Co), Norwich
Jervis, S. (Peat, Marwick, Mitchell & Co), Nottingham
Jeyaratnam, T. (F. W. Smith, Riches & Co), London
Johnson, A. D. (Gilchrist, Tash, Wilson & Sansom), Middlesbrough, Cleveland
Johnson, C. E. (Thornton Baker), Bradford, W. Yorkshire
Johnson, D. M. (Peat, Marwick, Mitchell & Co), Newcastle upon Tyne
Johnson, G. M. (Thornton Baker), Bradford, W. Yorkshire
Johnson I. P. (Coopers & Lybrand), London
Johnson, S. G. (Robson Rhodes), London
Johnston, A. J. (Armstrong, Watson & Co), Carlisle
Jones, A. K. (Peat, Marwick, Mitchell & Co), London
Jones, A. E. M. (Reads, Drury Theobald & Co), London
Jones, B. K. (Deloitte Haskins & Sells), London
Jones, C. M. (Peat, Marwick, Mitchell & Co), Chepstow, Gwent
Jones C. J. (Deloitte Haskins & Sells), London
Jones, E. R. (Touche Ross & Co), Bristol
Jones I. (Hughes Allen), London
Jones, J. M. (Touche Ross & Co), Leeds
Jones, K. (Ramon Lee & Partners), London
Jones, N. (Thornton Baker), Leicester
Jones, S. R. (Touche Ross & Co), Birmingham
Jones, T. M. (Deloitte Haskins & Sells), London
Jury, S. P. (Deloitte Haskins & Sells), Southampton

K

Kadri, M. R. (Giles Temple Gothard), Crawley, W. Sussex
Kahan, S. A. (Lopian, Barnett & Co), Manchester
Kamaris, C. G. (Coopers & Lybrand), London
Kanabar, R. (Coopers & Lybrand), Wellingborough, Northants
Karandawala, A. P. B. (Clark Whitehill), London
Kassapis, M. (Deloitte, Haskins & Sells), Birmingham
Kealey, F. (Nasmith, Coutts & Co), Manchester
Keenan, W. L. (Saffery Champness), London
Kelk, T. M. (Price Waterhouse), Nottingham
Kelland, P. H. (Peat, Marwick, Mitchell & Co), Bristol
Kelleher, T. C. (Arthur Andersen & Co), London
Kelly, P. E. (Touche Ross & Co), London
Kendall, C. T. (Spicer and Pegler), Leeds
Kennedy, P. W. (Hare Wilson & Co), Uxbridge, Middlesex
Kent, H. M. (Pannell Kerr Forster), London
Kent, H. S. (Arthur Andersen & Co), Bristol
Kerr, W. L. (Baker Rooke), London
Kerry, M. J. (Thornton Baker), Poole, Dorset
Keves, T. F. (Peat, Marwick, Mitchell & Co), London
Khaliq, Z. A. (West, Wake, Price & Co), London
Khan, R. J. (Edward Moore & Sons), Kingston-upon-Thames, Surrey
Khaw, L. T. G. (Deloitte Haskins & Sells), Manchester
Khoo, P. T. (Price Waterhouse), Leeds
Kidman, A. E. (Spicer and Pegler), Newcastle upon Tyne
Kilner, J. R. (Peat, Marwick, Mitchell & Co), Leeds
Kilvert Minor-Adams, S. M. (Binder Hamlyn), Wolverhampton
Kimber, R. C. (Price Waterhouse), London
Kimberley, M. (Arthur Young, McClelland Moores & Co), Newcastle upon Tyne
King, D. J. (Neville Russell), Sutton, Surrey
Kirkup, M. R. (Deloitte Haskins & Sells), Newcastle upon Tyne
Kite, T. J. (Arthur Young McClelland Moores & Co), London
Kleyn, W. L. A. (Touche Ross & Co), London
Ko, V. (Neville Russell), London
Kong, L. K. (Lyons Gainsley Newman & Co), London
Kottegoda, S. N. (Coopers & Lybrand), Birmingham
Krieger, M. M. (Casson Beckman), London
Kromolicki, Y. C. (Buzzacott & Co), London
Kubinski, A. K. (Revell Ward), Huddersfield
Kurian, J. (Thomson McLintock & Co), London

L

Lakin, D. (Newby, Castleman & Co), Leicester
Lally, K. P. (Knox Cropper), London
Lam, W. K. (Malvern & Co), London
Lambeth, C. A. (Ernst & Whinney), Leeds
Lambis, G. (Peat, Marwick, Mitchell & Co), London
Landsberg, K. W. (Deloitte Haskins & Sells), London
Lao, S. F. (Leigh, Sorene & Lawson), London
Lark, G. R. (Price Waterhouse), London
Lau, C. K. (Arthur Young McClelland Moores & Co), London
Lau, S. B. L. (Price Waterhouse), London
Laughton, C. (Spicer and Pegler), London
Law, A. R. (Ledbury Martin & Co), Trowbridge, Wilts
Law, S. M. (Thornton Baker), Ipswich
Lawrence, D. J. (Thornton Baker), Milton Keynes
Lawrence, P. A. (Train Scott), Romford
Lawrence, S. F. (Price Waterhouse), London
Lawton, M. A. (Deloitte Haskins & Sells), London
Lax, D. W. (Hazlewood & Co), Cheltenham, Glos.
Lax, N. G. (Thomson, McLintock & Co), Leeds
Lay, C. F. (Barker, Hibbert & Co), London
Layfield, P. R. (Stoy Hayward & Co), London
Lee, C. C. (Shipley Blackburn), London
Lee, K. F. (Hogg, Bullimore & Co), London
Lee, K. H. (Brooking, Knowles & Lawrence), Basingstoke, Hants
Lee, R. P. K. (Gordon Wood, Scott & Partners), Bristol
Leech, I. R. (Coopers & Lybrand), Birmingham
Leech, M. A. (Peat, Marwick, Mitchell & Co), Manchester
Leigh, C. M. (Spicer and Pegler), London
Leigh, H. D. (Deloitte Haskins & Sells), London
Lerman, M. (Wilson Wright & Co), London
Lester, J. (Jewitt, Sparrow & Swinbank), Stockton-on-Tees, Cleveland
Leung, S. L. (Blick Rothenberg & Noble), London
Leveridge, M. P. (Deloitte Haskins & Sells), London
Lewis, A. P. (Price, Bailey & Partners), Harlow, Essex
Lewis, C. (Price Waterhouse), London
Lewis, D. J. (Armitage & Norton), Huddersfield
Lewis, M. D. (Peat, Marwick, Mitchell & Co), Sheffield
Lewis, M. I. (Breeze Ralph & Co), Hove, E. Sussex
Lewis, P. J. (F. W. Stephens & Co), London
Li, S. T. (Spicer and Pegler), Birmingham
Liau, C. K. J. (Brebner, Allen & Trapp), London
Liddell, A. C. (Arthur Young McClelland Moores & Co), London
Liebling, K. D. (Blythens), Nottingham
Lim, F. E. K. G. (Deloitte Haskins & Sells), London
Lim, G. C. H. (Alexander Springer & Co), London
Lim, L. Y. (M. Sorsky & Co), London
Lim, M. Y. M. (Touche Ross & Co), London
Lim, S. M. (J. H. Anderson & Co), Middlesborough, Cleveland
Lipton, S. C. (Peat, Marwick, Mitchell & Co), London
Liptrot, N. (Thornton Baker), Lancaster
Litwinowicz, L. R. (Arthur Young McClelland Moores & Co), Birmingham
Llewellyn, M. V. (R. N. Store & Co), Brigg, S. Humberside
Lockyear, J. M. W. (Deloitte Haskins & Sells), Newcastle upon Tyne
Loke, W. S. (Everett & Son), London
Long, D. L. (Ernst & Whinney), London
Long, S. M. (Ernst & Whinney), Exeter
Lovering, R. V. (Thornton Baker), Northampton
Low, K. (Fisher, Sassoon & Marks), London
Low Yoke, A. (Hayes Allen), London
Lowde, G. W. (Peat, Marwick, Mitchell & Co), Leeds
Lucas, M. C. (Coopers & Lybrand), Jersey, Channel Islands
Lucraft, P. (Touche Ross & Co), London
Lyde, M. V. (Peat, Marwick, Mitchell & Co), London
Lythgoe, J. S. (Touche Ross & Co), Manchester

M

Ma, W. K. (Frazer, Whiting & Co), London
McAllister, M. M. (Kidsons), London
Macaskill, D. (Peat, Marwick, Mitchell & Co), Birmingham
McAteer, W. J. (Binder Hamlyn), London
McAweeney, F. J. (Edward Moore & Sons), Croydon
McCallion, D. T. (Armitage & Norton), London
McClean, A. M. (John Gordon, Walton & Co), Leeds
McCourt, S. M. R. (Ernst & Whinney), London
McCulloch, M. (Touche Ross & Co), London
McCurdie, T. A. (Kidsons), Hove, E. Sussex
Macdonald, M. (Derek Webster & Co), London
McDuff, D. (Kidsons), Hove, E. Sussex
McGerry, M. D. (Moore, Stephens & Co), London
McGrath, W. B. (Peat, Marwick, Mitchell & Co), London
McGurgan, D. A. (Pannell Kerr Forster), Douglas, Isle of Man
Mac-Hale, C. M. (Price Waterhouse), London
McInroy, S. J. (Touche Ross & Co), Leeds
McKay, T. (Coopers & Lybrand), Glasgow
McKenna, A. W. (Hamilton & Wilton), Bexhill-on-Sea, E. Sussex
Mackey, A. R. (Peat, Marwick, Mitchell & Co), Manchester
Maclay, A. S. (Deloitte Haskins & Sells), London
McMillan, A. C. (Steele, Robertson & Co), London
McMillan, A. J. (Price Waterhouse), Birmingham
McNair, I. C. (Price Waterhouse), Dudley, W. Midlands
Macrae, A. M. (Price Waterhouse), Newcastle upon Tyne
Macrae, S. J. (Finn-Kelcey & Chapman), Ashford, Kent
Madeley, D. P. (Peat, Marwick, Mitchell & Co), Nottingham
Madon, H. R. (Howard, Tilley & Co), London
Magetti, T. V. A. (Dearden Farrow), Croydon
Maguire, W. P. (Robson Rhodes), London
Maharry, D. J. (Armitage & Norton), Preston
Mahamood, F. (Jeffreys Henry Rudolf & Marks), London
Majewski, N. R. (Larking, Gowen & Co), Norwich
Mamdani, S. R. (Chancellors), Watford
Man, S. Y. (Thomson McLintock & Co), London
Manazir, N. (Spencers), London
Manners, A. R. (Arthur Young McClelland Moores & Co), London
Manning, P. H. (Booth Ainsworth), Stockport, Cheshire
Manuel, N. S. (Casson Beckman), London
Manzoor, M. (Peat, Marwick, Mitchell & Co), Milton Keynes
March, I. R. (Bates, Foston & Co), Derby
Mardon, C. P. (Arthur Young, McClelland Moores & Co), London
Marks de Chabris, G. U. (Price Waterhouse), London
Marsh, G. J. (Burne Phillips), Manchester
Marsh, R. W. (Pannell Kerr Forster), Sheffield
Marshall, W. G. (Touche Ross & Co), Leicester
Martin, A. D. (Peat, Marwick, Mitchell & Co), Stoke-on-Trent
Martin, C. N. (Coopers & Lybrand), Leeds
Martin, C. B. (Wagstaffs), Stevenage, Herts
Martin, D. L. (Touche Ross & Co), Birmingham
Martin, H. D. (Ernst & Whinney), London
Martin, J. J. (Coopers & Lybrand), London
Martin, P. R. (Robson Rhodes), Manchester
Martin, R. C. (Frazer, Whiting & Co), Southend-on-Sea
Martin, T. C. (Deloitte Haskins & Sells), London
Martin, W. M. (Garbutt & Elliott), York
Martins, G. (Pannell Kerr Forster), London
Mason, N. (Price Waterhouse), Dudley, W. Midlands
Massey, M. D. (Peat, Marwick, Mitchell & Co), Sheffield
Mathew-Jones, H. R. (Wilson, de Zouche & Mackenzie), Liverpool
Matthews, N. (Peat, Marwick, Mitchell & Co), Newcastle upon Tyne
Mavimba, J. (Coopers & Lybrand), London
Maycock, S. R. (Arthur Young McClelland Moores & Co), Manchester
Mead, A. D. (Ernst & Whinney), London
Medhora, B. M. (Ernst & Whinney), London
Mellor, D. J. (Johnson Tidsall & Co), Derby
Melunsky, D. J. (David Shamash & Co), London
Mendonca, P. J. (Peat, Marwick, Mitchell & Co), London
Menzies, F. W. (Price Waterhouse), Leicester
Merson, V. (Coopers & Lybrand), Manchester
Metcalfe, M. (Clark Whitehill), London
Middleton, S. C. (Coopers & Lybrand), Newcastle on Tyne
Middleton, S. J. (Deloitte Haskins & Sells), Manchester
Miller, I. D. G. (Saml. Edwd. Short & Co), Chesterfield, Derbyshire
Miller, C. M. (Price Waterhouse), London
Miller, G. M. (Deloitte Haskins & Sells), Liverpool
Miller, J. R. S. J. (Peat, Marwick, Mitchell & Co), London
Miller, M. B. (Arthur Young McClelland Moores & Co), Luton
Millington, J. M. (Binder Hamlyn), Wolverhampton
Mills, C. J. (W. J. Calder Sons & Co), Croydon
Milne, W. S. (Hill Eckersley & Co), Bolton
Milner, C. J. H. (Peat, Marwick, Mitchell & Co), London
Milner, H. R. (P. D. Leake & Co), London
Mitchard, S. E. J. (Deloitte Haskins & Sells), London
Mitchell, A. (Binder Hamlyn), Bury St Edmunds, Suffolk
Mitchell, C. D. (Longcrofts), London
Mitchell, K. M. (Wright, Fairbrother & Steel), London
Mitchell, M. (Moore, Stephens & Co), London
Mitchell, T. J. (Thomson McLintock & Co), Bristol
Mobley, A. J. (Thornton Baker), Evesham, Worcs
Mohindra, A. K. (Hughes Allen), London
Molozian, G. G. (Price Waterhouse), London
Monier-Williams, A. M. (Binder Hamlyn), London
Monkcom, J. D. (Peat, Marwick, Mitchell & Co), London
Moore, G. B. (Peat, Marwick, Mitchell & Co), London
Moore, R. M. (Robson Rhodes), London
Moreton, G. K. (Chalmers, Impey & Co), Birmingham
Morgan, A. J. (Touche Ross & Co), London
Morgan, J. M. J. (Thomson McLintock & Co), Exeter
Morris, B. J. (Coopers & Lybrand), London
Morris, G. (Poulsoms), Liverpool
Morrison, A. (Jewitt, Sparrow & Swinbank), Stockton-on-Tees, Cleveland
Moss, A. J. (Coopers & Lybrand), London
Moss, P. J. (Chater & Myhill), Cambridge
Mountford, S. N. (Donald H. Bates & Co), Stoke-on-Trent
Mulchandani, G. D. (Citroen, Wells & Partners), London
Mullen, S. M. (Hill Vellacott), London
Mullis, P. P. (Thornton Baker), Bedford
Murray, J. J. (Arthur Young McClelland Moores & Co), London
Murray, N. J. (Christopher Mcfadyen & Co), Jersey, Channel Islands
Murray, R. (Coopers & Lybrand), Norwich

N

Nadjm Tehrani, S. (Spicer and Pegler), London
Nagra, H. S. (Dearden Farrow), London
Namasivayam, S. (Gale & Partners), London
Napier, S. (Purnell & Kimpton), Newport, Gwent
Naraghi, L. B. P. (Saffery Champness), London
Nash, H. C. (Peat, Marwick, Mitchell & Co), Southampton
Naylor, P. J. (Touche Ross & Co), Cardiff
Needham, P. (Larking, Gowen & Co), Norwich
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Ong, G. E. (Armitage & Norton), Leeds
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accountancy appointments

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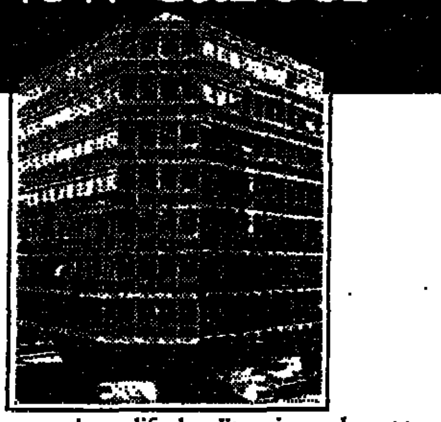

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No Comment

It is not for us to comment on an FT survey except to say that our continued success undoubtedly comes from the quality of all our people.

It is also interesting to point out that our clients comprise a wide range of companies large and small in every aspect of commerce, industry and technology.

For a newly qualified accountant this is an important feature. It means that a wide range of experience will be gained and there will be the opportunity to work in taxation, investigations and insolvency.

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Our client is by reputation the most dynamic of the International firms. Central to their whole operations is a commercially oriented consultancy department which has developed techniques of extreme sophistication, especially in the field of EDP systems. Each year they recruit a small number of high calibre ACAs who undergo a superb training programme both in the UK and USA. If you are a graduate ACA, with a clean exam record, and wish to be considered for this year's intake please contact Steven Marshall BA.

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We demand the highest possible standards of professional excellence from our people. As a result, our specialist Technical and Training department has objectives which include:

— the search for efficiency in our audit procedures while maintaining the quality of service to our clients.
— the supply of up to date information on how to apply new ideas, standards and legislation.
— the training of staff so that they cope with the demands of early responsibility.

Our drive for excellence means that we are continuing to expand this department. As a result, we can offer outstanding opportunities for two outstanding newly qualified accountants.

Both these opportunities will provide lots of contact with partners and staff throughout the firm. At the end of, say, two years, you will have a choice — you may decide to make your long term career development within the technical or training areas. Alternatively you may want to transfer back to audit and general practice, to taxation, to investigations or to one of our other specialist departments. The opportunities will exist — our growth rate will ensure that. Or you may want to move from London to one of our associated firms throughout the United Kingdom — or even overseas. Again, we will ensure that this is possible.

Training

If you feel you can take on a lot of responsibility for planning, writing and presenting in-house courses, this is the job for you. You need to be technically strong, creative and articulate. You need to be willing to work long hours and to be flexible. You must be enthusiastic about training.

In return for these qualities, we will give you the task of running our student training programme for the next two years. In addition we will ask you to contribute towards the development of our post-qualifying courses.

We will give you training in the preparation and presentation of courses. We will also give you the opportunity to widen your technical skills by helping in research projects and dealing with day to day enquiries.

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If you would like the chance to research accounting, auditing and company law problems in depth and to provide people with fast, accurate and, above all, practical answers, we have the job for you. You must be technically strong, conscientious and quick. You must be logical and creative.

In return for these qualities, we will give you the task of playing a major role in our Technical department for the next two years. You will deal with day to day problems for partners and staff. You will help to implement the firm's new Audit Guide. Last, but far from least, we want you to make a major contribution towards our ever expanding publication programme.

If you feel up to the challenge we have set, please telephone or write to **David Fowler, Personnel Manager, Stoy Hayward & Co. Chartered Accountants, 54 Baker Street, London W1M 1DJ, 01-486 5888.**

SH **Stoy Hayward & Co**
Chartered Accountants

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As a marketing oriented organisation you will find our approach to Internal Audit calling for not only a first class pedigree in training to date but also an open-minded creative approach to your analysis and subsequent recommendations on financial and administrative systems. Excellent communication skills coupled to a mature and diplomatic personality are essential for successful liaison with all levels of international management.

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1.	Group Management Accountant	Retail, London	£12-14000
2.	Management Auditors	Manufacturing, N. W. Kent	£11500 + car
3.	Financial Accountant	Leisure, N. E. Surrey	up to £12000
4.	Management Auditor }	Service industry, based Bristol	£12-15000 depending
5.	Computer Auditor }	– various audit bases	on age and experience
6.	Regional Accountant	Pharmaceuticals, Middx	£11500
7.	Management Accountant	Communications, C. London	up to £12000
8.	Financial Accountant	Aerospace, Surrey	£13000
9.	Assistant Group Accountant	Manufacturing, N. London	£11000
10.	Management Accountant	Leisure, Bedford	£11500
11.	Assistant Manager – Accounts	Trade Finance	c.£14000

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NEWLY QUALIFIED

accountancy appointments

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accountancy appointments

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- like to get personally involved in the work of your department
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- can handle a complete review of the on-line fully integrated computer system
- are able to make a valuable contribution to the overall management of the company, including a strong commercial input,

while at the same time making the preparations for a public flotation in 12 months, then you will consider this opportunity an excellent career move.

The vehicle for the enhancement of your career is a well established, profitable, £6m turnover company. It is in the enviable position of being the long-standing UK market leader in the supply and servicing of a range of imported capital equipment for industrial and retail users.

To take advantage of this opportunity you are likely to be aged about 35, qualified and able to demonstrate a record of relevant achievements.

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Please forward a comprehensive CV (or telephone for an application form) quoting reference MD116 to Rob Smith at Macmillan Davies, The Old Vaults, Parliament Square, Hertford SG14 1PU. Tel: 0992 552552.

Macmillan Davies Personnel Consultants

NEWLY QUALIFIED

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CITY

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LONDON BASED

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OVERSEAS OPPORTUNITIES — Salaries £13,000 – £20,000 TAX FREE
A 'Big 8' practice requires young recently qualified accountants for various locations throughout the Gulf. You will gain international experience plus the opportunity for capital accumulation.
MIDDLE EAST

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Progressive publishing company seeks young, graduate accountants. Opportunities exist both in the management accounting and financial accounting areas. Duties will include forecasting, preparation of monthly accounts, profitability and variance analysis, ad hoc projects etc.
CENTRAL LONDON

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HANTS

Contact Peter Breen or Katriona Wheatley for further information.

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FINANCIAL ACCOUNTANT (Systems Installation)
LONDON EC4 — £12,000 + benefits
Major investment company seeks a young recently qualified accountant. Reporting ultimately to the Financial Director, the appointee will be involved in developing and installing a computerised accounting and analysis system, preparing accounts and statements for presentation directly to the Board, and dealing with company secretarial matters. Prospects for advancement are excellent. **Contact Peter Haynes.**

YOUNG FINANCIAL CONTROLLER (Recently Qualified ACA)
LONDON SW1 — to £14,000 + car
This fast growing company currently approaching a turnover of £3m, and intent on achieving an early USM listing, now seeks a commercially experienced accountant to assume responsibility for the finance function, especially upgrading existing accounting systems. First rate opportunity for a progressively minded individual to obtain general management involvement. **Contact David Wilkinson.**

ASSISTANT TO FINANCIAL CONTROLLER (Commercially aware ACA)
LONDON EC2 — to £12,500
Quoted Investment Trust whose trading subsidiaries' investments encompass the industrial & property sectors, offers excellent prospects for newly qualified Chartered Accountant. Responsibilities include: periodic statutory reporting, systems development, taxation liaison, budgetting, forecasting & the provision of general financial advice. **Contact David Wilkinson.**

Apply in confidence to:

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Internal Auditors

with fluency in French or German
c£12,300

Pitney Bowes is one of the world's leading office systems manufacturers with a long established record of outstanding success - 18.2% compound growth over the past six years and a worldwide turnover of 1.8 billion dollars.

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Based in Harlow, you will be required to carry out audit at operating companies in Europe, therefore a good working knowledge of either German or French is important.

For newly qualified or part-qualified accountants these will be outstanding opportunities to develop your career in a large multi-national company.

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Please write in the first instance to Brian Ridgway, Personnel Manager, Pitney Bowes plc, The Pinnacles, Harlow, Essex. Tel: (0279) 26731.

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يعلن صندوق النقد العربي عن رغبته في تعيين موظف لشغل وظيفة "مدقق" يكون مسئولا مباشرة أمام المدقق الداخلي الرئيسي .

مهام الوظيفة : ١ . اعداد وتنفيذ برامج التدقيق ٢ . كتابة التقارير عن نتائج عمليات التدقيق ٣ . متابعة تنفيذ مقترحات مكتب التدقيق التي تتبناها الادارة .

المؤهلات والخبرة : شهادة محاسبة قانونية مع سنتين خبرة عملية في تدقيق المؤسسات المالية ، أو شهادة جامعية في المحاسبة مع خبرة لا تقل عن عشرة سنوات مع شركة تدقيق عالمية .

الراتب : يحدد حسب المؤهلات والخبرة .

مزايا أخرى : سكن ، بطاقات سفر ، تأمين طبي وتأمين على الحياة .

تقدم الطلبات في موعد أقصاه 15 يوما من تاريخ نشر الاعلان باسم رئيس الدائرة الادارية ص.ب 2818 أبوظبي – دولة الامارات العربية المتحدة .

COMPANY NOTICES

BIDS AND DEALS

Coleman Milne lifts its Henly's holding to 20%

BY DAVID DODWELL

Coleman Milne, the subsidiary of Mr Michael Ashcroft's Hawley Group that converts Ford Granadas into luxury limousines, has boosted its stake in Henly's, the motor car dealers, by about 5 per cent to 20 per cent.

Coleman Milne announced yesterday that it had bought 700,000 shares in exchange for the issue of 1.4m of its own shares. Its shares closed yesterday at 63p, which would value Henly's shares at 126p. However, Mr Ashcroft said the share purchase had been based on a notional price of 60p per Hawley share and 120p per Henly's share. On the stock exchange yesterday, Henly's shares closed 9p up at 121p.

The interest in Henly's shown by Coleman Milne last week prompted Avondene, the investment subsidiary of the Bank of Scotland which has for some time had the largest single stake in Henly's, to lift its holding by 4.28 per cent to 29.62 per cent. Avondene's direct parent, North West Securities, is understood to have a substantial hire purchase business with Henly's.

Mr Ashcroft acquired his original 15 per cent stake in Henly's just 10 days ago from Mr Jim Gregory, chairman of Queen's Park Rangers football club. He paid 120p per share in a deal that cost an aggregate £2.5m.

This original purchase was funded by means of a subscription for Coleman Milne shares by Mr David Wickins' British Car Auctions group amounting to £2.5m.

Mr Asheroft would not disclose yesterday whether he planned to continue purchasing Henly's shares. He noted, however, that if the company's share price continued to rise strongly, then at least part of Coleman Milne's holding could be sold, translating the latest share purchase into a Coleman Milne rights issue.

Mr John Dowling, the recently appointed chairman of Henly's was not available for comment on the latest share purchases. Henly's recently reported pre-tax losses for the year to October 1 1983 of £3.9m—an improvement from the £5.91m loss in 1982. It paid a nominal dividend of 0.1p.

BIDS AND DEALS IN BRIEF

Matthews & Yates has purchased the stock and work-in-progress of the industrial fan division of **Sturtevant Engineering Products**, for £42,000. This division was recently put into liquidation. Matthews & Yates is closely involved with Fairey Engineering of Stockport. Both are operating companies within Fairey Holdings, the engineering section of S. Pearson & Son.

* * *

Ferguson Industrial Holdings has disposed of its 25 per cent investment in Dorman Long Swan Hunter (Proprietary) to *Dorbyl*. *Consideration* was £1.47m cash.

* * *

Flogas has reached agreement, subject to contract, with Cawoods to acquire a subsidiary company, **Portagas**, an LPG marketing and distribution company based in the UK, for £1.2m. Redland is the ultimate holding company of Portagas.

* * *

United Parcels recommended offers to acquire all the issued ordinary and preference shares of **York Ward and Rowlatt** have become unconditional.

The offers are not being extended. Acceptances have been received in respect of 47,611 YWR ordinary (99.63 per cent) and 11,960 preference (99.38 per cent), including elections to receive 189,445 United Parcels' ordinary.

* * *

Sheafbank Property Trust has completed acquisition of **Gradeland Securities**. Sheafbank's ordinary now have a par value of 10p each. Consideration for acquisition was satisfied by issue of 4.2m new ordinary Sheafbank shares of 10p credited as fully paid.

* * *

Wyndham Engineering has signed a conditional contract to purchase **Group Advertising and Marketing** for £170,000 cash.

The sole asset of GP Advertising is Powell Duffryn House, based in Cardiff, which is let to Barratt South Wales at rental of £19,050 per annum until October 1994, subject to a rent review in October 1988.

The property has been professionally valued at £210,000.

* * *

Nippon Investment Finance, a Japanese venture capital company, has taken a 10 per cent stake in **ABL Computer Technologies** at a cost of £80,000.

This is the first investment by a Japanese venture capital company in Europe—in the past all such funds have been placed in America. NIF is 52 per cent owned by Daiwa Security, one of Japan's largest brokerage houses.

ABL is based at Horsham, Sussex, and specialises in the development of daisy wheel type printers for computers.

* * *

At 3.30 pm on February 29, further acceptances of **B.A.T.**'s offer had been received in respect of 342,637 **Eagle Star** shares (0.25 per cent if issued share capital).

Total acceptances therefore, amount to 136,501,389 shares (98.68 per cent).

* * *

The proposed merger of **Stylo** and **Harris Queensway** is not being referred to the Monopolies and Mergers Commission.

* * *

Jardine Glanvill (underwriting agencies) has sold the Torch Motor Syndicate No 877 to Bates Cunningham Underwriting, a new company formed by the syndicate's managing director, David Bates, and underwriter, Philip Cunningham.

The company has been admitted to Lloyd's as a managing agent.

* * *

A scheme of arrangement whereby **Shield Insurance Company** will become wholly-owned by **Eagle Star Holdings** was approved by the required majority at a meeting of the Shield ordinary shareholders, other than Eagle Star, convened by order of the High Court on January 23 1984.

Shareholders representing 479,370 Shield shares (98.34 per cent of those voting either in person or by proxy) voted in favour of the scheme, while shareholders representing 8,072 Shield shares (1.66 per cent) voted against.

* * *

Following the November acquisition by **Albert Fisher Group** of the **Long Group**, the Fisher board has agreed with the vendor, **Ocean Transport & Trading**, to satisfy the deferred consideration now for an agreed sum of £431,000, by the issue to Ocean of 515,580 ordinary 5p shares in Fisher.

The Fisher shares so allotted have been placed in the market on Ocean's behalf with institutional investors, at a price of approximately 84p per share, to realise £431,000, net of expenses.

The acquisition agreement had provided for a deferred consideration of £457,686 to be satisfied on November 31, 1984.

It was announced on December 14 1983 that a further 357,143 ordinary shares in Fisher would be issued in satisfaction of the deferred consideration payable for the acquisition of **Wentworth Import & Export**.

These shares have now been allotted and as a result the interests of Mr D. G. Pearce, a vendor of Wentworth and a director of Fisher, in the shares of Fisher now comprise 434,749 ordinary shares and 7,643 7 per cent convertible cumulative participating preference £1 shares.

COMPANY NEWS IN BRIEF

Pre-tax profits of **Law Debenture Corporation** edged ahead from £2.02m to £2.06m in 1983 and the final dividend is 2.75p net for a 4.75 (4.5p) total on earnings up from 5.3p to 5.52p per 25p share.

Investment income for the 12 months amounted to £1.96m (£1.77m), fees as trustees £1.23m (£1.11m) and other income £88,000 (£66,000). Profits were struck after expenses of £1.21m (£0.92m) and were subject to tax of £794,000 (£803,000).

In January the corporation borrowed a further US$3m for a maximum period of five years. This has been invested mainly in the U.S. and Japan, and is not reflected in an increase of £215,192 in foreign currency loan interest.

* * *

Pre-tax profits of **Ratcliffs (Great Bridge)**, maker of brass and copper strip, increased from £226,000 to £311,000 in 1983, following the slight reduction at midway to £82,000, against £87,000.

The year's result was struck after redundancy costs down from £211,000 to £145,000. With the tax charge £20,000 higher at £437,000, attributable losses came through at £126,000, compared with £191,000.

Loss per 25p share decreased from 5p to 3.6p, while the final dividend is maintained at 1p net for an unchanged total of 1.75p per share.

* * *

The Council of the Stock Exchange has admitted to the Official List all of the common stock of *Ameritech* issued and reserved for issue.

American Information Technologies Corporation is the holding company for Bell telephone operating companies in Illinois, Indiana, Michigan, Ohio and Wisconsin.

The company began operations on January 1 1984 with assets totalling nearly $17bn. Forecast revenues for 1984 are $8.3bn, and forecast net income for the year is $923.7m, resulting in an earnings-per-share estimate of $9.47.

* * *

High-Point Services Group has reported improved pre-tax profits of £194,000 for the half year to November 30 1983, when it came to the Unlisted Securities Market, against £173,000. The group is an international contracting adviser with offices in England, the Middle East and Hong Kong.

Compared with previous years, the level of business activity is being maintained and directors are confident of sustained profits growth.

A dividend of 1.5p has been forecast for the year to May 31 1984, payable in January 1985.

There are exchange gains of £28,000 (£3,000 loss) which have been dealt with through revenue reserves.

* * *

Pre-tax profit of the **Industrial Finance and Investment Corporation** improved by £24,000 to £146,000 over the first six months to end-December and the net interim dividend is being increased from 0.75p to 0.85p

Most fee income is normally earned in the second half and the directors are confident that the pattern of growth will continue

FT LAW REPORTS

Isle of Man company's charges void in liquidation

RE ORIEL LTD
Chancery Division: Mr Justice Mervyn Davies: February 22 1984

WHERE a company incorporated abroad has an English place of business in that it has pursued its objects in the UK and corresponded through a UK business address, unregistered charges over its UK property are void as against its liquidator and creditors, irrespective of whether it is likely to be solvent on winding up.

Mr Justice Mervyn Davies so held when granting a declaration sought by the liquidator of Oriel Ltd, an Isle of Man company, that unregistered charges in favour of Continental Oil Company Ltd (Conoco) over Oriel's UK property were void as against its creditors and the liquidator.

Section 95(1) of the Companies Act 1948 provides: "Every charge ... by a company registered in England to which this section applies shall ... be void against the liquidator and any creditor of the company, unless" ... registered.

Section 106 provides that those provisions "shall extend to charges on property in England which are created ... by a company ... incorporated outside England which has an established place of business in England."

* * *

HIS LORDSHIP *said that* Oriel was an Isle of Man company controlled by *Mr J. Plumpton* and his wife.

Between August 1978 and July 1979 it acquired seven petrol stations *in Lancashire* with money provided by Conoco. A legal charge was executed in Conoco's favour in respect of each station.

A petition to wind up Oriel was presented by Conoco on September 25 1981. It alleged that Oriel owed it £67,020, was insolvent, and was unable to pay its debts. A winding up order was made on January 25 1982.

The seven legal charges had not been registered under section 95 of the Companies Act 1948. Accordingly, it would seem that they were void as against the liquidator and Oriel's creditors. Conoco contended, however, that that was not so.

On April 7 1983 the liquidator issued the present summons so that Conoco's contention could be considered. The summons sought a declaration that the legal charges were void as against the liquidator and as against any creditor, for want of registration under section 95.

Oriel was not a "company registered in England" within section 95 (1). However, under section 106 section 95 extended to the seven charges if Oriel had "an established place of business in England."

In evidence, the liquidator estimated that there would be an available surplus of £27,000. Mr Bannister, for Conoco, submitted that in the light of Oriel's probable solvency sections 95 and 106 had no application at all, whether or not Oriel had an established place of business in England.

In *Independent Automatic Sales [1962] 1 WLR 974, 981* Mr Justice Buckley said that the purpose of section 95 was "to enable the liquidator to deal with the assets ... in a way which he would not otherwise be able to adopt for the benefit of the company's creditors. But if the company turns out to be ... solvent ... so that the subject matter of the charge comes back into the unfettered ownership of the company, it comes back encumbered with the charge notwithstanding the non-registration."

Mr Bannister said that as Oriel was turning out to be solvent the purpose of section 95 had gone and the charges were no longer void despite want of registration.

That submission was not accepted. Mr Justice Buckley's words were spoken in another context. There the defendants successfully contended that the company which had created the charge could not assert that it was void for non-registration because section 95 did not enact that it should be void as against a creating company.

The case was not authority for the proposition that a chargee could enforce a non-registered charge if he could show that a liquidation in train was likely to show a surplus.

Section 95 said that a non-registered charge was void as against the liquidator and creditors. It said nothing about solvency or insolvency.

Accordingly, the liquidator was, subject to section 106, able to regard the unregistered *Conoco charges as void*, whether or not the company was solvent.

Mr Bannister's second submission was that the liquidator had not discharged his onus of proving the company had "an established place of business in England" under section 106.

In *Lord Advocate v The Huron [1911] AC 612, 616* the Lord President regarded the expression "a place of business within the UK" as meaning a "local habitation of its own."

That meant that the court must consider whether Oriel had a habitation or office in England. If it had, the court then had to consider whether that habitation or office was a place where the company had carried on some business.

It seemed that "carrying on a business" was not synonomous with "trading" (See *Sarflax [1979] Ch 592, 599A; Sabatier [1927] Ch 495, 503*). So it was not necessary to find that Oriel was trading.

In re *Capital Fire Insurance 21 CD 209, 216* Mr Justice Chitty said that in order to ascertain what the business of a company was "you have to look to the memorandum and articles of association."

With those authorities in mind, when deciding whether Oriel had an established place of business in England, the court must consider three questions: (1) what were Oriel's objects as shown in its memorandum; (2) had Oriel acted in pursuance of those objects; (3) if yes, whether it established a place of business in England—and if so, where?

As to question (1), the company's objects were set out in its memorandum of association. They were, *inter alia*, to carry on the business of garage proprietors, and to acquire and mortgage land.

As to question (2), it was clear that Oriel acted in pursuance of those objects because it acquired seven petrol station sites in England, and then mortgaged them. Its activities were directly referable to the memorandum.

Oriel had been active in pursuing its objects and so had been carrying on business.

As to question (3), correspondence with the company, including rate demands and insurance letters, had been sent to an address in Wigan. On the facts the court was satisfied that Oriel established a place of business at that address. It was Mr Plumpton's residence, but that did not mean it could not be Oriel's place of business.

Mr Bannister observed that Oriel could not be regarded as having been in business because it had never published accounts and had no bank account nor employees, and because Conoco's accounts were invoiced by Mr Plumpton.

While giving full weight to those considerations the court was unable, in the light of the other considerations, to answer questions (2) and (3) in Conoco's favour.

It was said, too, that the company was a mere nominee for Mr Plumpton.

Even if that were so, a nominee company was not necessarily a company which was not carrying on a business.

Mr Bannister also said that the liquidator had to show that Oriel had established a place of business *in England* at the time of creation of the charges.

It was doubtful if that were so. Under *sections 95 and 106* it seemed sufficient for a liquidator to show that the company in question had established its English place of business by the time he sought to avoid the charge. However that might be, the reasonable inference on the facts was that Oriel established its English place of business very soon after its incorporation on April 5 1978. All seven charges were executed after that date.

The liquidator was entitled to the declaration sought.

For the liquidator: W. A. Blackburne (W. F. Prior and Co).

For Conoco: E. A. Bannister (Frank Purdy).

By Rachel Davies
Barrister

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SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday March 2 1984

Why UK farmers plant feet firmly in yard, Page 40

WALL STREET

Big funds stay on the sidelines

CAUTIOUS trading continued on Wall Street markets yesterday, with the big investment institutions remaining on the sidelines until uncertainties over the federal deficit and inflationary pressures are resolved, *writes Terry Byland in New York.*

Further evidence emerged of the strength of the economic upturn in the form of a 12 per cent jump in construction contracts in January, as well as the disclosure of another round of sharp gains in sales at the major retailers.

These developments strengthened the arguments of those market analysts who believe that the Federal Reserve is on the point of tightening credit policies. But opinions are still divided.

There are analysts who believe the Fed will wait for another monthly set of economic data before deciding. Moreover, any tightening could be only temporary, since the pace of the economy is expected to slow in the second quarter.

Professional short-covering reduced early falls in the bond market, where the underlying trend remained bearish. Uncertainty over interest rates checked an attempted advance in the stock market and leading issues settled around overnight levels in sluggish trading.

The Dow Jones industrial average closed at 1,159.44, up 4.81.

The firm patch again was the oil sector where Texaco, $¼ lower at $45¼, rocketed to the top of the active stocks list on the market's evident belief that the Bass brothers, who already hold a stake of 9.8 per cent may be seeking more shares.

Nearly 2m shares of Texaco were turned over in the first half of yesterday's trading session.

Close behind Texaco was the trading level of Gulf, which added a further $⅝ to $69⅝ as investors looked for a counter-stroke to the unwanted approach from Mr Boone Pickens's Mesa Petroleum.

On the American Stock Exchange there was heavy turnover again in Gulf Canada, which is seen as a saleable asset if the U.S. parent finds itself in a bid fight. At $15⅝, Gulf Canada put on $⅜.

Signs of a recovery of confidence were seen in the computer and high technology sectors. IBM edged forward $1⅛ to $111⅞, and others in this area to advance included Teledyne, $2⅜ higher at $166⅞, and Texas Instruments, $1¾ up at $130¼.

Imperial Chemical of the U.K., favourite with U.S. analysts and investors since the beginning of last year, gained $⅜ to $35⅝ in active trading. At $29¼, Dow Chemical was $1⅜ higher after disclosing plans to sell a waste disposal unit. Polaroid at $29⅛ gained $¼ after introducing a new film service.

In retail issues however, Sears and K-mart could make little progress, despite their disclosure of gains of about 11 per cent in sales during January.

The Federal Reserve helped the credit markets again ahead of the closure of the bank settlement operations. The federal funds rate began to edge higher and when it reached 9 11/16 per cent, the Fed announced $1.5bn in customer repurchase arrangements. Later it undertook to buy $250m in bills, also for a customer account.

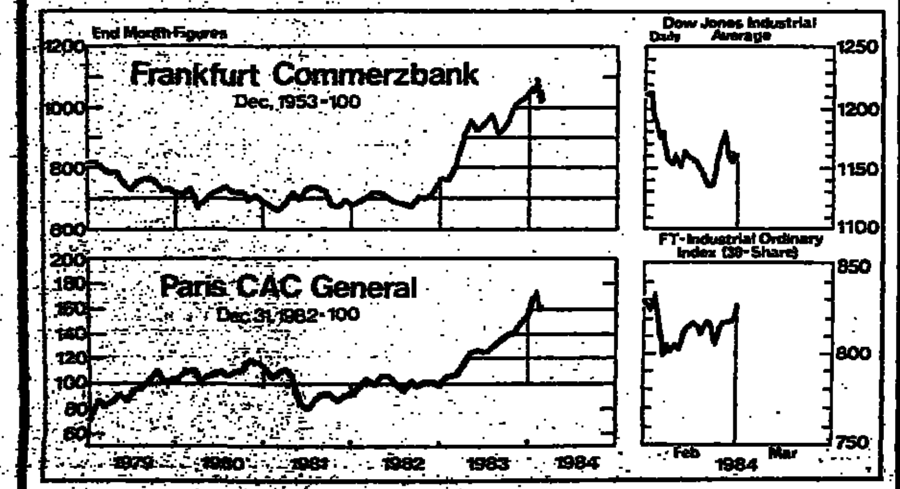
Short-term rates remained firm, however, with the rate on three-month Treasury bills five basis points higher at 9.19 per cent and the six-month bills three basis points up at 9.45 per cent.

In the bond market there were signs that traders have eased their positions for a time by the burst of selling undertaken at the beginning of the week.

With many expecting the Fed to tighten policies very soon, however, bond prices remained easier in a general lack of retail support.

The key 2013 long bond rallied from an early loss but remained a net two basis points down on the day at 98 15/32 to yield 12.18 per cent. Short-dated bonds showed similar losses, but the market was very quiet.

KEY MARKET MONITORS



STOCK MARKET INDICES

	March 1	Previous	Year ago
NEW YORK			
DJ Industrials	1159.44	1154.63	1130.71
DJ Transport	515.02	511.21	501.27
DJ Utilities	128.95	127.79	126.84
S&P Composite	158.19	157.06	150.88
LONDON			
FT Ind Ord	828.30	819.80	661.60
FT-A All-share	496.06	493.12	410.21
FT-A 500	534.36	528.39	444.12
FT-A Ind	486.86	482.31	419.33
FT Gold mines	672.30	665.30	624.10
FT-A Long gilt	10.16	10.21	11.06
TOKYO			
Nikkei-Dow	9920.27	10030.70	7988.85
Tokyo SE	769.71	776.12	587.14
AUSTRALIA			
All Ord.	723.10	737.60	490.70
Metals & Mins.	493.90	508.30	434.80
AUSTRIA			
Credit Aktien	55.26	55.35	49.26
BELGIUM			
Belgian SE	140.13	140.40	107.69
CANADA			
Toronto Composite	2416.3	2419.80	2125.10
Montreal Industrials	429.52	429.68	354.21
Combined	410.93	411.63	348.51
DENMARK			
Copenhagen SE	191.36	194.34	116.80
FRANCE			
CAC Gen	162.10	160.20	107.20
Ind. Tendance	104.50	103.20	66.50
WEST GERMANY			
FAZ-Aktien	350.61	348.40	268.29
Commerzbank	1030.00	1020.90	799.30
HONG KONG			
Hang Seng	1061.40	1059.29	1033.59
ITALY			
Banca Comm.	219.53	219.54	200.64
NETHERLANDS			
ANP-CBS Gen	160.40	160.30	110.60
ANP-CBS Ind	131.60	131.90	96.80
NORWAY			
Oslo SE	247.65	246.90	140.72
SINGAPORE			
Straits Times	1018.63	1017.85	827.37
SOUTH AFRICA			
Golds	1015.9	1018.80	778.10
Industrials	999.6	997.10	817.80
SPAIN			
Madrid SE	118.18	117.11	103.09
SWEDEN			
J & P	1507.72	1489.72	1216.74
SWITZERLAND			
Swiss Bank Ind	387.70	366.20	311.10
WORLD	Feb 29	Prev	Year ago
Capital Int'l	181.50	182.80	181.70

GOLD (per ounce)

	March 1	Prev
London	$393.25	$395.00
Frankfurt	$393.25	$394.50
Zürich	$392.75	$394.75
Paris (fixing)	$396.18	$397.26
Luxembourg (fixing)	$396.25	$395.25
New York (March)	$394.80	$395.80

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR March 1	U.S. DOLLAR Previous	STERLING March 1	STERLING Previous
$	–	–	1.4775	1.4905
DM	2.609	2.5975	3.86	3.875
Yen	233.4	233.4	345	348
FFr	8.0375	7.99	11.87	11.905
SwFr	2.175	2.1675	3.215	3.2325
Guilder	2.944	2.9325	4.3525	4.3725
Lira	1623.50	1615.50	2398	2407
BFr	53.43	53.13	78.95	79.20
C$	1.25175	1.25175	1.849	1.8655

INTEREST RATES

	Feb 29	Prev
Euro-currencies (3-month offered rate)		
£	9¼	9⅜
SwFr	3 11/16	3⅝
DM	5⅞	5⅝
FFr	16⅞	17⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	10¼	10⅛
6-month U.S.$	10½	10 7/16
U.S. Fed Funds	9 13/16	9⅝
U.S. 3-month CDs	9.80	9.75
U.S. 3-month T-bills	9.19	9.14

U.S BONDS

Treasury	March 1* Price	March 1* Yield	Prev Price	Prev Yield
10⅞ 1986	99 23/32	11.03	99 24/32	11.00
11¾ 1991	98 27/32	11.99	98 30/32	11.97
11.75 1993	98 4/32	12.08	98 8/32	12.05
12 2013	98 15/32	12.19	98 19/32	12.17
Corporate	**March 1 Price**	**Yield**	**Prev Price**	**Yield**
AT & T				
10⅜ June 1990	92⅜	12.05	92⅝	12.15
3⅜ July 1990	69⅝	10.75	68½	10.90
8⅜ May 2000	72⅞	12.75	74⅛	12.50
Xerox				
10⅜ March 1993	91	12.30	91¼	12.25
Diamond Shamrock				
10⅜ May 1993	89⅛	12.65	91¼	12.45
Federated Dept Stores				
10⅜ May 2013	83⅜	12.85	84⅜	12.60
Abbot Lab				
11.80 Feb 2013	92⅜	12.75	93	12.70
Alcoa				
12¼ Dec 2012	93½	13.15	94	13.05

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	68–24	68–25	68–12	68–27
U.S. Treasury Bills (IMM) $1m points of 100%				
March	90.79	90.79	90.74	90.81
Certificates of Deposit (IMM) $1m points of 100%				
March	90.17	90.18	90.12	90.19
LONDON				
Three-month Eurodollar $1m points of 100%				
March	89.94	89.95	89.91	89.97
20-year Notional Gilt £50,000 32nds of 100%				
March	109–04	109–10	108–22	108–25

COMMODITIES

(London)	March 1	Prev
Silver (spot fixing)	647.05p	647.40p
Copper (cash)	£969.00	£963.25
Coffee (March)	£2135.50	£2062.50
Oil (spot Arabian light)	$28.62	$28.60

HONG KONG

Reaction to budget is muted

REACTION was muted in Hong Kong to the previous day's budget statement which contained little to surprise the market.

The Hang Seng index, down 5.01 at the end of the morning, picked up later to close 2.11 ahead at 1,061.40.

Property shares generally continued to draw strength from the results of the latest government land auction. Cheung Kong advanced 5 cents to HK$9.10 while Hongkong Land and Sun Hung Kai Properties were each 10 cents ahead at HK$3.72 and HK$7 respectively.

Elsewhere, Jardine Matheson fell 50 cents to HK$12.10, Hutchison Whampoa was steady at HK$16.60 and China Light added 10 cents to HK$12.80.

LONDON

SPECULATION about the content of the UK budget on March 13 dominated the London stock market, with fears of possible tax changes putting life insurers under pressure.

Composite insurers, however, were unscathed with Royal adding 18p to 520p *following its one-for-four bonus issue.*

Industrials benefited from U.S. interest, with ICI up 12p at 584p and Glaxo 22p to 765p. Recently beleaguered GEC also firmed, adding 7p to 182p.

The FT Industrial Ordinary index ended up 8.5 at 828.3 while the FT-SE 100-share index added 5.8 at 1,046.1.

Government securities found domestic and foreign demand with gains of up to ⅜ among medium life stocks and 3/16 for shorts. Low coupon issues remained out of favour.

Details, Page 35; Share information service, Pages 36–37.

AUSTRALIA

HEAVY selling by foreign investors, together with continued concern over domestic interest rates, pushed shares to a three-month low in Sydney.

The All Ordinaries index shed 14.4 to 723.2 in active trading.

Much of the decline is attributed to the failure of corporate results to match market expectations.

The latest example is CRA which shed 12 cents to A$5.20 despite its announcement of a turnaround into profit for 1983.

SINGAPORE

A MODERATE increase in buying activity, with attention centred on speculative and popular issues, took Singapore marginally higher.

The Straits Times industrial index added 0.78 to 1,018.63 on turnover that continued to ease ahead of today's budget.

Shipyard issues rebounded from the lows seen on Wednesday in the wake of Sembawang Shipyard's announcement of a sharp decline in second-half earnings. Sembawang picked up 7 cents of the 9 cents lost in the previous session, to close at S$2.38.

SOUTH AFRICA

GOLD shares lacked direction in Johannesburg after a moderate day's trading during which the bullion price barely changed.

Of the major producers, Libanon rose R1 to R50 but Western Deep shed the same amount to R76.

Industrials were firm in fairly active trading.

CANADA

SHARP declines among gold shares in Toronto more than offset gains in other sectors, with some strength remaining among base metals and minerals.

The oil and gas sector – which surged on Wednesday on hopes of a change in energy policy, following the planned resignation of Mr Pierre Trudeau as Prime Minister – had also turned easier by mid-session.

Montreal turned lower with declines among banks and industrials but paper and utility issues showed some firmness.

TOKYO

The Osawa shock waves widen

SHOCK WAVES from the collapse of the J. Osawa trading house permeated the Tokyo market yesterday, with stock prices tumbling across the board, *writes Shigeo Nishiwaki of Jiji Press.*

Issues related to the company, which handles cameras and sports goods, came under selling pressure from the beginning of the session, depressing blue chip precision instrument stocks. But despite numerous unfavourable factors, selling was mainly light.

The Nikkei-Dow market indicator slipped below 10,000, in the year's second sharpest plunge of 110.43 to 9,920.27, on volume totalling 297.37m shares against 254.99m the previous day. Losses outpaced gains sharply by 554 to 176, with 150 shares unchanged.

In the morning, Mamiya Camera – which has been exporting cameras exclusively through J. Osawa – dishonoured bills worth more than Y1bn, triggering a flurry of sell orders for stocks related to the two companies.

Mamiya, listed on the second section of the Tokyo exchange, later announced it too would soon file for relief under Japan's Corporate Rehabilitation Law. The exchange suspended trading in the camera maker's stock for the whole day.

Orders mounted to sell J. Osawa shares – now traded on the exchange's liquidation post – and the issue finished the day at a bid price of Y120, Y80 lower than Tuesday's closing price at which it had been suspended.

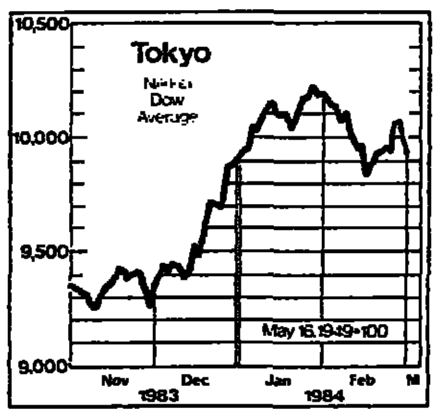
Copal and Stanley Electric, both of which supply camera parts to Mamiya, tumbled Y67 to Y792 and Y20 to Y750 respectively.

J. Osawa's insolvency was not the only negative factor on the market. Investors were also discouraged by another, if minor, fall on Wall Street and rumours that a group of speculators, active in the market since last year, was under investigation for possible tax evasion.

Blue chips among precision instruments declined on fears that Mamiya's crisis could lead non-residents to sell their holdings. Canon lost Y30 to Y1,400, Ricoh Y10 to Y1,030 and Nippon Kogaku Y30 to Y1,060 on small-lot selling. Other major blue chips also lost ground on a wide front, with NEC shedding Y40 to Y1,360, Matsushita Electric Industrial Y20 to Y1,800 and Fujitsu Y40 to Y1,350.

Non-ferrous metals, which had advanced the previous day, mostly declined. Sumitomo Metal Mining closed at Y1,530, down Y40, and Dowa Mining at Y572, off Y23.

On the bond market the barometer 7.5 per cent government bonds maturing in January 1993 firmed in very thin trading, with the yield dipping from 7.42 per cent the previous day to 7.415 per cent.



EUROPE

Domestic cues to divergence

DOMESTIC factors – corporate, economic and political – provided the cue to trading shifts on the European bourses yesterday as operators tried to shake off withdrawal symptoms being suffered in the absence of any clear lead from Wall Street.

The concentration on events closer to home led to divergent movements overall, with about half the major bourse indices ending higher and half lower, as well as some prominent individual features.

Foreign demand favoured **Frankfurt** – particularly the engineering sector, despite an industry survey showing a sharp dip in January orders. KHD rose DM 5.50 to DM 245 after a "satisfactory" performance last year, GHH DM 6 to DM 146, and even Mannesmann firmed 50 pfg at DM 141.50 in the face of announcing "distinctly worse" 1983 results.

Domestic bonds firmed by up to 35 basis points amid good demand for the latest federal loan stock, quoted just ¼ off its par pricing. The Bundesbank sold DM 55.3m of paper.

Selective **Zurich** buying accorded gains to the major banks. Swiss Bank Corporation recouped SwFr 5 at SwFr 345 on its dividend increase.

Motor Columbus jumped SwFr 40 to SwFr 780, attributed to reports that Iran might meet part of a payment outstanding to its Mobag construction unit.

Domestic bonds were barely changed.

The **Amsterdam** outcome was lower on the day. ABN was the weakest of the banks, sliding Fl 10 to Fl 394 ahead of results today, while on the international side KLM fell Fl 5.30 to Fl 175.20.

A strong showing came from Naarden, up Fl 1.50 at Fl 43.50 as the flavours and fragrances maker reported better-than-forecast profits.

Bonds were narrowly firmer.

A sluggishly weak **Brussels** featured a BFr 345 tumble for Bekaert, the steel wire drawer, at BFr 3,105. Although it has been under pressure for some years from East European imports, brokers believed the company was still doing well and could only identify foreign selling on fears of a downward adjustment of the franc or higher Belgian interest rates.

The Gevaert photographic group firmed BFr 15 to BFr 3,025 as it released plans for a dividend boost.

Food-related issues staged a **Paris** recovery after a spate of weakness. Carrefour picked up FFr 25 to FFr 1,545, as did BSN-Gervais at FFr 2,475. Elsewhere, Thomson CSF jumped FFr 13.50 to FFr 321 as it reported healthy turnover.

Milan attracted renewed foreign demand for Fiat, up L17 at L4,225 and went on to L4,265 after hours. Insurers were weak on an otherwise firm day, while longer-dated Treasury bonds were sought.

A stronger **Stockholm** featured a SKr 10 rise for Saab-Scania at SKr 365 on its income boost, while Pharmacia gained SKr 8 at SKr 272 ahead of results later.

The **Madrid** feature was Banco de Vizcaya, up 9 points at 369 per cent of nominal value on its plan to take over Banca Catalana.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19¾	9⅛	AAR	.44	2.3	24	174	19½	18⅞	18½	+⅛
52¼	30½	ACF	1.40	3.0	592	327	47¼	47¼	47¼	-⅛
22	16⅛	AMCA	n 1	5.7		7	18	d17⅝	17⅝	-⅝
18⅞	14⅞	AMF	.50	3.5		870	14⅜	14⅛	14¼	-⅛
50⅞	50	AMF	pf.58e	1.2		10	50⅛	50⅛	50⅛	-⅛
41¼	21	AMR Cp			7	7218	31⅞	30¼	31⅞	+1⅛
20⅞	16⅞	AMR	pf2.18	11.		12	19	18¾	19	+¼
41½	26⅞	AMR	pf2.13	6.3		95	34	32⅞	34	+1
26¼	23⅞	ANR	pf2.67	11.		400	24¼	24⅝	24¼	+⅛
16¼	5⅞	APL			3	17	11⅛	11	11	-⅛
55¼	40	ARA	2.05	4.6	10	43	45⅛	44½	44½	-⅝
77¼	50¼	ASA	3a	4.4		926	67⅞	66⅛	67⅞	+½
33¼	14⅝	AVX	s .32	1.4	23	52	23⅛	22½	22⅞	-⅞
59⅞	40⅞	AbtLab	1	2.4	15	1092	42¼	41½	42	-¼
30¼	23¼	AccoW	n .60	2.3	17	11	26⅛	26	26⅛	+⅛
27½	17⅛	AcmeC	.40	1.8		275	22½	22⅛	22½	-⅛
13	8⅝	AcmeE	.32b	3.3	60	75	9¼	9¼	9⅝	+⅛
24⅞	9⅛	AdmDg	.04	.3	12	110	16⅛	14⅝	15¼	+⅞
18¾	15⅜	AdaEx	2.11e	13.		158	16⅛	15⅞	16	+⅛
19¾	7⅞	AdmMl	.28	1.5	9	17	18¼	18	18¼	+¼
18⅝	8⅞	Advest	.12	1.1	10	52	11⅛	10⅝	11⅛	+⅛
37½	15⅛	AMD	s		36	3336	29½	28¼	29¼	+1
24⅝	12½	Aerflx	s		15	6	14⅝	14⅛	14⅝	
43½	33¼	AetnLf	2.64	7.7	10	1874	34½	33⅞	34⅛	-⅛
62¼	55¼	AetL	pf5.28e	9.4		100	56⅞	56⅞	56⅞	-⅝
40½	20	Ahmns	1.20	5.4	6	1748	22¼	20¾	22¼	+1¼

B-B-B

C-C-C

D-D-D

E-E-E

F-F-F

G-G-G

H-H-H

I-I-I

J-J-J

K-K-K

L-L-L

M-M-M

N-N-N

O-O-O

P-Q

Continued on Page 33

مكتبة الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 34

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E-price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

(Closing Prices) Stock	Mar 1	Varn.
AMCA Int.	21½	-¾
Abitibi	25¾	-
Agnico Eagle	18½	-⅛
Alberta Energy	18⅛	-⅝
Alcan Alumn	42⅛	+⅛
Algoma Steel	27⅛	+⅛
Bk Montreal	28¾	-⅛
Bk Nova Scotia	13⅞	-½
Bell Canada	31⅛	+⅛
Bombardier A	17¾	-
Bow Valley	25¼	-¼
B.P.Canada	-	-
Brascan A	38½	-
Brinco	2.54	+0.04
B. C. Forest	12	-⅛
CIL Inc	28⅛	-
Cadillac Fairv.	11⅛	+⅛
Can Cement	-	-
Can NW Energy	29¾	-⅜
Can Packers	27	-
Can Trustco	46⅞	-⅛
Can Imp Bank	30½	-⅛
Canadian Pacific	45⅝	-⅛
Can. P. Ent.	22⅛	-
Can Tyre A	11⅝	-
Carling O'Kfe	21⅜	+⅛
Chieftain	18	+⅞
Cominco	55¼	-½
Cons Bathst A	26⅞	-
Costain	9⅞	-
Denison Mines	40	-
Dofasco	18¾	-⅜
Dome Mines	18⅝	-⅜
Dome Petroleum	4.2	-0.2
Dominion Strs.	19	-
Domtar	31½	-⅛
Falconbridge	64¾	+1
Genstar	25⅜	+⅜
Giant Y'knife	25¼	-⅛
Gt West Life	300	-10
Gulf Canada	19¼	+⅛
Hawk Sid Can	17	+⅛
Hudson's Bay	21⅝	-
Husky Oil	10⅝	-⅛
Imasco	34½	+⅛
Imp Oil A	37½	+⅛
Inco	17¼	+⅛
Indal	11½	-
Interpr Pipe	29	-⅛
LAC Minerals	-	-
Macmil Bloedel	31⅝	-⅛
Marks & Spencer	14	-
Massey-Ferg	4.35	-0.05
McIntyre Mines	38⅛	-⅛
Mitel	13⅞	-
Moore Corp	48	-1
Nat. Sea Prods A	8	-
Noranda Mines	23½	+½
Numac Oil	12⅞	-⅛
Nova Alberta	6¾	-⅛
Nthn Telecom	44⅛	+⅛
Oakwood Pet	8½	+⅛
Pancanadian Pet	23	-⅛
Patino	10	-
Placer Devt	21¾	-⅛
Power Corp Can	19⅛	-⅛
Quebec Sturgeon	8⅝	-⅛
Ranger Oil	11¾	-
Reed Stenhse A	12⅛	-
Rio Algom	18⅞	-
Royal Bank	32⅝	-⅛
Royal Trustco A	28⅞	-
Sceptre Res	5⅛	-⅛
Seagram	43⅞	+⅛
Simpson Sears A	-	-
Shell Can Oil	25⅝	+⅛
Steico	27⅝	-
Tech B	9⅞	-⅛
Texaco (Canada)	39½	+1
Thomson News A	38½	+½
Toronto Dom Bank	18¼	+⅛
Transalta A	21⅞	+⅛
Trans. Can. Pipe	18¾	-⅛
Walker Hiram	25¼	+⅛
Westcoast Trans	14⅛	-
Weston (Geo)	86	-¾

AUSTRIA

Mar. 1	Price Sch%	+ or —
Creditanstalt	214	......
Goesser	327	......
Interunfall	405	-5
Laenderbank	214	—.....
Perlmooser	331	-4
Steyr-Daimler	156	......
Veitscher Mag	212	......

BELGIUM/LUXEMBOURG

Mar. 1	Price Frs.	+ or —
ARBED	1,404	-16
Banq Int A Lux	5,200	......
Bekaert B	3,105	-345
Ciment CBR	2,050	-5
Cockerill	199	-3
Delhaize	5,000	-30
EBES	2,290	......
Electrobel	5,910	-60
Fabrique Nat	2,215	-60
GB Inno BM	3,170	-40
GBL (Brux)	2,390	-75
Gevaert	3,025	+15
Hoboken	5,080	-120
Intercom	1,810	-5
Kredietbank	6,900	-80
Pan Hldgs.	9,600	......
Petrofina	6,910	-40
Royale Belge	7,800	-200
Soc. Gen. Banq	3,215	-15
Soc. Gen. Belge	1,696	+5
Sofina	5,480	+40
Solvay	3,725	-15
Tractionel	3,125	-75
UCB	4,565	-35
Vieille Mont	3,885	-25

DENMARK

Mar. 1	Price Knr %	+ or —
Aarhus Olie	380	-40
Andelsbanken	235	-3
Baltic Skand	590	-20
CopHandelsbank	242	......
D. Sukkerfab	666	-9
Danske Bank	281	-3
East Asiatic	197	-2
Forenede Brygg.	885	......
Forenede Damp.	190	+10
GNT Hldg.	570	......
I.S.S.B.	640	-15
Jyske Bank	560	......
Novo Ind	2,585	......
Privatbanken	279	......
Provinsbanken	309	-7
Smidth (F)	240	-5
Sophus Berend.	1,140	-30
Superfos	488	-2

FRANCE

Mar. 1	Price Frs.	+ or —
Emprunt 4½% 1973	1,984	+14
Emprunt 7% 1973	9,880	-69
CNE 3%	3,445	+27
Air Liquide	524	+5
BIC	395.5	-2.5
Bouygues	690	+10
BSN Gervais	2,475	+25
CIT-Alcatel	1,345	......
Carrefour	1,545	+25
Club Mediter'n	809	+12
CFAO	566	+11
Cie Bancaire	462	+5
Cofimeg	211.7	-0.3
Creusot Loire	46.1	+1.1
Darty	781	+1
Dumez S.A.	770	-20
Eaux (Cie Gen)	535	+17
Elf-Aquitaine	230	+3
Gen. Occidentale	559	+7
Imetal	81	+2.9
Lafarge Coppee	323	+1
L'Oreal	2,180	-15
Legrand	1,955	......
Maisons Phenix	268	-2
Matra S.A	1,530	+25
Michelin B	908	+10
Midi (Cie)	1,400	+19
Moet-Hennessy	1,417	+32
Moulinex	91.6	+0.6
Nord Est	50.4	+0.6
Pernod Ricard	695	+10
Perrier	497	+23.5
Petroles Fra.	214	+3
Peugeot S.A.	235	+0.8
Poclain	55.5	+0.4
Printemps Au	139.9	+1.4
Radiotech	363	-2
Redoute	1,050	-5
Roussel-Uclaf	795	+19
Schneider S.A.	194	+6
Sefimeg	247	-3
Skis Rossignol	1,380	......
Telemech Elect	1,625	+30
Thompson (CSF)	321	+15.5
Valeo	285	+7

GERMANY

Mar. 1	Price Dm.	+ or —
AEG-Telef	96.2	+0.5
Allianz Vers	785	-2
BASF	165.5	-0.1
Bayer	169.2	+0.6
Bayer-Hypo	271	+0.5
Bayer-Verein	341	+3
BHF-Bank	289	+1.5
BMW	411.5	......
Brown Boveri	225.5	+1.5
Commerzbank	182.8	+2.1
Cont'l. Gummi.	130	+1.2
Daimler-Benz	582	+7
Degussa	380	+4
Demag	146	......
D'sche Babcoc	161	+0.8
Deutsche Bank	383	+2.5
Dresdner Bankk.	175	+1
GHH	146	+6
Hochtief	492	......
Hoechst	179.3	+0.3
Hoesch Werke	119.5	+1
Holzmann (P)	443	+6
Horten	197	+1
Kali und Salz	200	+1
Karstadt	258.5	-0.5
Kaufhof	239	-1
KHD	246	+5.5
Kloeckner	69.2	+0.9
Krupp	83	......
Linde	374	+1.1
Lufthansa	165	+2
MAN	143	+1
Mannesmann	141.5	+0.5
Mercedes Hld.	516.5	+4.5
Metallgesell.	241	+0.5
Muench Rueck	1,150	......
Preussag	273	......
Rhein West Elect	166.2	-0.3
Rosenthal	270	+5
Schering	335.5	......
Siemens	398.5	+1.6
Thyssen	87.7	+1.5
Varta	180	......
Veba	176	+0.5
V.E.W	121.5	......
Verein-West	323	......
Volkswagen	208	+1.2

ITALY

Mar. 1	Price Lire	+ or —
Banca Com'le	35,000	+100
Bastogi-IRBS	154	+0.8
Centrale	1,650	+10
Credito Varesino	4,990	+90
Fiat	4,325	+17
Finsider	40	-3
Generali Assicur	38,000	......
Invest	3,171	+3
Italcementi	48,300	+750
Montedison	224	-1
Olivetti	4,294	+19
Pirelli Co	3,200	-6
Pirelli Spa	1,725	+3
Snia BPD	1,509	+3
Toro Assic.	13,590	-60
do. Pref.	10,300	+25

NETHERLANDS

Mar. 1	Price Fls	+ or —
ACF Holding	180	-1
AEGON	127.5	-2.5
Ahold	213.5	-0.8
AKZO	103.5	-0.5
ABN	394	-10
AMEV	169.8	-3.7
AMRO	72.9	-0.9
Bredero Cert	196	......
Bos Kalis Westm.	49.1	+0.1
Buehrmann-Tet	66.5	+0.5
Calland Hldgs	37.5	+0.2
Credit Lyon'ls Bk	55.5	-0.5
Elsevier-NDU	525	-5
Gist. Brocades	144	-3.5
Heineken	135.5	-3.5
Hoogovens	49	-1
Hunter Douglas	24.5	+0.3
Int Mueller	35.5	-0.3
KLM	175.2	-5.3
Naarden	43.5	+1.5
Nat Ned Cert	218	-5.5
Ned. Credit Bank	39.3	-0.1
Ned Mid Bank	169	-2
Nedlloyd	114.5	......
Oce Grinten	242	-1
Ommeren (Van)	29.4	+0.1
Pakhoed	67	+0.
Philips	46.1	-1.1
Rijn-Schelde	4.1	+0.1
Robeco	326.1	-1.4
Rodamco	132.3	......
Rolinco	309.5	-1.6
Rorento	201.8	-0.4
Royal Dutch	155.5	+0.9
Unilever	246	+1
VMF Stork	99.5	+1.5
VNU	150	-1
West Utr Bank	122	......

NORWAY

Mar. 1	Price Kroner	+ or —
Bergens Bank	157	+0.5
Borregaard	285	+5
Christiania Bk.	157	+1
Den Norsk Credit	166	-2
Elkem	159	+2
Norsk Data	265	-3
Norsk Hydro	587.5	+1
Storebrand	213	+4

SPAIN

Mar. 1	Price Pta%	+ or —
Bco Bilbao	277	+2
Bco Central	331	+2
Bco Exterior	202	......
Bco Hispano	245	+6
Bco Santander	292	+2
Bco Vizcaya	369	+9
Dragados	144	+2
Hidrola	53.7	+0.2
Iberduero	67.7	+1
Petroleos	113	+2
Telefonica	79	-0.02

SWEDEN

Mar. 1	Price Kronor	+ or —
AGA	375	-3
Alfa-Laval	285	+4
ASEA (Free)	365	......
Astra (Free)	520	-10
Atlas Copco	125	......
Boliden	410	+8
Cardo (Free)	496	......
Cellulosa	173	+5
Electrolux B	271	+3
Ericsson	348	-6
Esselte	325	+3
Mo Och Domsjo	430	+10
Pharmacia	272	+8
Saab-Scania	365	+10
Sandvik	350	......
Skandia	405	+5
Skan Enskilda	365	......
SKF	187	+5
St. Kopparbergs	730	+5
Sven Handelsbn.	220	-1
Swedish Match	275	+3
Volvo B (Free)	450	......

SWITZERLAND

Mar. 1	Price Frs.	+ or —
Alusuisse	867	-3
Bank Leu	4,360	-30
Brown Boveri	1,450	......
Ciba Geigy	2,290	+25
do. (Part Certs)	1,810	+20
Credit Suisse	2,345	+15
Elektrowatt	2,680	+10
Fischer (Geo.)	670	+10
Genevoise	3,750	......
Hoff-Roche PtCts	100,500	......
Hoff-Roche 1/10	10,100	+25
Jacobs Suchard	6,650	-10
Jelmoli	1,800	-10
Landis & Gyr	1,380	......
Nestle	4,795	-5
Oer-Buehrle	1,320	+10
Pirelli	252	+1
Sandoz (Br)	6,900	......
Sandoz (PtCts)	1,040	-15
Schindler (PtCts)	535	-5
Swissair	1,050	+15
Swiss Bank	345	+5
Swiss Reinsce	7,800	+50
Swiss Volksbk	1,480	+10
Union Bank	3,510	+30
Winterthur	2,925	......
Zurich Ins	17,450	+150

AUSTRALIA

Mar. 1	Price Aust $.	+ or —
ANZ Group	5.46	-0.04
Acrow Aust.	1.5	......
Alliance Oil D.	0.8	-0.05
Ampol Pet	1.75	......
Aust Cons Ind	1.76	-0.05
Aust. Guarant	2.7	-0.05
Aust. Nat. Inds	2.35	-0.05
Aust. Paper	2.1	-0.07
Bell Group	5.9	-0.02
Bond Corp Hldgs	1.62	-0.04
Boral	3.22	-0.08
B'ville Copper	2.4	-0.1
Brambles Inds	2.95	-0.01
Bridge Oil	3.1	-0.1
BHP	13.0 xr	-0.35
CRA	5.9	-0.12
CSR	3.56	-0.14
Carlton Utd	4.00	+0.17
Castlemaine Tys.	4.05	-0.05
Coles (G.J.)	3.65	+0.05
Comalco "A"	2.9	-0.15
Consolidated Pet	1.05	+0.05
Costain Aust.	1.25	......
Dunlop Aust.	1.46	-0.01
E.Z. Inds.	5.0	-0.2
Elders IXL	4.00	-0.15
Energy Res.	1.46	-0.1
Gen Prop Trust	1.82	-0.05
Hardie (J.)	3.35	-0.05
Hartogen Energy	2.85	-0.1
Herald W'y Times	3.1	......
ICI Aust	2	......
Jimb'lana (50cFP)	0.37	+0.01
Kia Ora Gold	0.18	......
Land Lease	4.65	-0.05
MIM	3.28	-0.12
Mayne Nickless	2.4	-0.08
Meekatharra	0.8	-0.05
Myer Emp.	1.82	-0.01
Nat. Com. Bk.	3.5	-0.08
News	10.3	-0.3
Nicholas Kiwi	3.00	-0.08
North Bkn Hill	2.6	-0.1
Oakbridge	0.83	-0.05
Otter Expl.	0.7	-0.02
Pancont'l	1.1	-0.05
Pioneer Conc	1.68	-0.07
Reckitt & Coln	2.68	......
Repco	1.15	-0.02
Santos	7.14	-0.16
Smith (H.)	3.8	-0.15
Southland Min'g.	0.31	......
Spargos Expl	0.42	......
Thos. Natwide	2.1	-0.02
Tooth	5.04	+0.02
UMAL Cons	3.4	-0.18
Vamgas	3.22	-0.01
Western Mining	3.92	-0.11
Westpac	3.6	-0.08
Woodside Petrol.	0.93	-0.02
Woolworths	3.48	-0.04
Wormald Intl	3.2	......

HONG KONG

Mar. 1	Price H.K.$	+ or —
Bank East Asia	29.0	+0.1
Cheung Kong	9.1	+0.05
China Light	12.8	+0.01
Hang Lung Devel	2.05	......
Hang Seng Bank	44	+0.25
HK Electric	6.55	+0.1
HK Kowloon Wh.	4.37	+0.02
HK Land	3.72	+0.1
HK Shanghai Bk.	8.7	-0.5
HK Telephone	45.25	......
Hutchison Wpa	16.6	......
Jardine Math	12.1	-0.5
New World Dev.	3.47	-0.05
Orient O'seas	2.6	+0.05
O'seas Trust Bk.	3.45	......
SHK Props.	7	+0.1
Swire Pac A	17.3	-0.2
Wheel'k Mard A.	3.65	......
Wheel'k M'time	2.00	......
World Int. Hldgs	2.37	......

JAPAN

Mar. 1	Price Yen	+ or —
Ajinomoto	990	-9
Alps Electric	2,650	-30
Amada	1,230	+10
Asahi Chem	415	-3
Asahi Glass	678	-2
Bridgestone	565	-26
Canon	1,400	-30
Casio Comp.	1,500	+20
Chugai Pharm	1,050	+70
Citizen	620	-19
Daiei	680	-9
Dai Nippon Ptg	970	......
Daiwa House	502	-8
Ebara	330	-3
Eisai	1,180	-40
Fanuc	11,370	+20
Fuji Bank	757	-4
Fuji Film	2,080	-20
Fujisawa	795	......
Fujitsu	1,350	-40
Green Cross	1,560	-10
Hasegawa	385	-5
Heiwa Real Est	608	-3
Hitachi	831	-14
Hitachi Credit	1,680	+50
Honda	1,020	-20
House Food	790	-10
Hoya	1,750	+10
Itoh (C)	283	-5
Ito-Yokado	1,850	-20
Iwatsu	2,220	-50
JACCS	371	-2
JAL	3,010	+10
Jusco	837	-2
Kajima	297	......
Kao Soap	700	-3
Kashiyama	619	-10
Kirin	545	-5
Kokuyo	1,080	-10
Komatsu	485	-5

JAPAN (continued)

Mar. 1	Price Yen	+ or —
Konishiroku	648	-12
Kubota	316	......
Kumagai	430	+14
Kyoto Ceramic	9,770	-130
Maeda Const	485	+1
Makino Milling	1,390	-40
Makita	1,090	+30
Marubeni	273	-5
Marudai	611	-19
Marui	1,200	......
MEI	1,600	-90
M'ta Elec Works	680	+5
M'bishi Bank	760	......
M'bishi Corp.	515	-5
M'bishi Elec	390	-2
M'bishi Estate	453	-6
MHI	241	+2
Mitsui Co	336	-1
Mitsui Estate	710	......
Mitsukoshi	356	-4
NGK Insulators	682	-8
Nihon Cement	307	-8
Nippon Denso	1,480	-30
Nippon Elect	1,380	-40
Nippon Express	282	-3
Nippon Gakki	636	......
Nippon Kokan	139	......
Nippon Oil	1,040	-10
Nippon Seiko	572	-8
Nippon Shimpan	744	-6
Nippon Steel	164	-1
Nippon Suisan	308	-7
NTV	10,500	-500
Nippon Yusen	240	-3
Nissan Motor	724	......
Nisshin Flour	455	......
Nisshin Steel	176	-2
Nomura	714	......
Olympus	980	-18
Omron Tateisi	1,980	......
Orient Leasing	3,710	-40
Pioneer	3,390	-30
Renown	662	-8
Ricoh	1,030	-10
Sankyo	670	+2
Sanyo Elect	534	-1
Sapporo	385	-1
Sekisui Prefab	669	-1
Seven-Eleven	7,350	-40
Sharp	1,270	-10
Shimadzu	545	-9
Shionogi	704	-2
Shiseido	985	+5
Sony	3,460	......
Stanley	780	-20
S'tomo Elect	873	-13
S'tomo Marine	295	+3
S'tomo Metal	155	-1
Taihei Dengyo	500	-10
Taisei Corp	215	-2
Taisho Pharm	913	-1
Takeda	699	......
TDK	6,630	-10
Teijin	366	......
Teikoku Oil	691	-10
Tokyo Marine	532	-3
TBS	717	-3
Tokyo Elect Pwr.	1,280	-10
Tokyo Gas	166	-1
Tokyo Sanyo	693	+1
Tokyo Style	835	-34
Tokyu Corp	326	-4
Toppan Print	680	-14
Toray	391	-8
Toshiba Elect	379	-5
TOTO	560	-15
Toyo Seikan	704	-15
Toyota Motor	1,280	-20
Victor	3,190	-50
Wacoal	732	-14
Yamaha	589	+6
Yamanouchi	1,320	+40
Yamazaki	763	-19
Yasuda Fire	254	+3
Yokogawa Bdge.	420	......

SINGAPORE

Mar. 1	Price $	+ or —
Boustead Hldgs.	2.83	+0.01
Cold Storage	4.58	......
DBS	10	+0.04
Fraser & Neave	6.45	......
Genting	5.65	......
Haw Par. Bros	2.76	+0.01
Inchcape Bhd.	2.86	+0.01
Keppel Shipyard	3.42	+0.02
Malay Banking	9.95	-0.05
Malay Brew.	6.95	-0.05
Multi Purpose	1.99	+0.01
OCBC	11	-0.1
OUB	4.6	+0.04
Sime Darby	2.58	+0.01
Straits St'mship.	1.71	+0.01
Straits Trdg.	5.8	+0.05
UOB	5.6	......

SOUTH AFRICA

Mar. 1	Price Rand	+ or —
Abercom	2.8	......
AE & CI	8.1	......
Anglo Am Coal	26.25	-0.25
Anglo Am Corp	23.0	+0.1
Anglo Am Gold	155	+1
Barclays Bank	19.7	......
Barlow Rand	13.9	-0.1
Buffels	77	-0.25
CNA Gallo	2.75	......
Currie Finance	4.90	......
De Beers	10.55	-0.01
Driefontein	46.0	-0.25
FS Geduld	55	......
Gold Fields S.A	30.5	......
Highveld Steel	6.0	......
Nedbank	15.65	......
OK Bazaars	18.15	......
Protea Hldgs.	3.35	......
Rembrandt	24.75	......
Rennies	15.5	......
Rust. Plat.	14.75	-0.2
Sage Hldgs	6.5	......
SA Brews	7.55	......
Smith (C.G)	23.5	......
Tongaat Huletts	11.3	......
Unisec	5.25	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

OVER-THE-COUNTER Nasdaq National Market

Prices at 3pm, March 1

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

Continued on Page 42

AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued from Page 33

NEW YORK CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued from Page 33

Indices

NEW YORK-DOW JONES

	Mar 1	Feb 29	Feb 28	Feb 27	Feb 24	Feb 23	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1158.44	1154.63	1157.14	1170.96	1165.1	1134.63	1286.64 (6/1)	1134.21 (23/2)	1287.2 (29/11/83)	41.22 (2/7/32)
Transport	515.82	511.11	510.91	528.47	518.89	494.82	612.63 (6/1)	494.82 (23/2)	612.63 (6/1/84)	12.23 (8/7/32)
Utilities	128.95	127.79	126.61	126.4	125.05	123.7	134.83 (6/1)	123.7 (23/2)	163.32 (20/4/69)	10.05 (28/4/42)
Trading vol 1000s†	8233	-	-	-	2620	229	-	-	-	-

	Feb 24	Feb 17	Feb 10	(Year Ago Approx)
Ind div yield %	4.73	4.70	4.71	4.86

N.Y.S.E ALL COMMON

Mar 1	Feb 29	Feb 28	Feb 27	1983-84 High	1983-84 Low
-	-	-	-	442.82 (9/5)	79.79 (24/1)

RISES AND FALLS

	Mar 1	Feb 29	Feb 28
Issues traded	1930	1931	988
Rises	953	840	443
Falls	584	687	179
Unchanged	393	404	363

STANDARD AND POORS

	Mar 1	Feb 29	Feb 28	Feb 27	Feb 24	Feb 23	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	179.58	177.33	177.25	180.3	178.25	174.39	188.64 (6/1)	174.1 (22/2)	183.22 (2/6/83)	3.52 (30/6/32)
Composite	158.19	157.06	156.82	159.3	157.51	154.29	169.28 (6/1)	154.29 (23/2)	170.99 (22/6/83)	4.4 (1/6/32)

	Feb 29	Feb 22	Feb 15	Year Ago (Approx)
Ind div yield %	4.81	4.08	4.83	4.22
Ind. P/E Ratio	12.82	12.59	12.72	11.89
Long Gov Bond Yield	11.98	11.89	11.73	10.39

MONTREAL

	Mar 1	Feb 29	Feb 28	Feb 27	1983-84 High	1983-84 Low
Industrials	430.8	428.5	424.88	428.14	451.40 (6/1)	412.17 (21/2)
Combined	411.33	410.93	407.41	406.65	433.87 (6/1)	397.00 (21/2)
TORONTO Composite	-	-	-	-	2585.7 (6/1)	2498.0 (30/1)

U.S. INDICES: CLOSING VALUES, YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

LONDON STOCK EXCHANGE

MARKET REPORT

Financial sector weakness contrasts vividly with strong Equity and Gilt tone

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb 13	Feb 23	Feb 24	Mar 5
Feb 27	Mar 8	Mar 9	Mar 19
Mar 12	Mar 22	Mar 23	Apr 2

* "New-time" dealings may take place from 9.30 am two business days earlier.

Budget speculation dominated London stock markets causing widespread weakness among Financial issues yesterday. The possibility of the Chancellor introducing radical tax changes—including either a reduction or the abolition of Life Assurance premium relief—put life insurers under extreme pressure.

Nervous since the Inland Revenue decided last week to alter the Building Societies' tax status on Gilt-edged trading, and more recently unsettled by brokers Wood Mackenzie's warning about the sector, Life Insurance shares took a battering. Early falls ranged to over 50 pence as holders sold heavily, taking the view that the uncertain tone would persist until the Chancellor made known his intention.

Bank shares also suffered from pre-Budget jitters and lost considerable ground with the clearers being the main targets of sellers, but Composite Insurances went unscathed. Royal were outstanding, responding strongly to the tithit of a one-for-four bonus share issue which accompanied the preliminary statement.

Leading industrials began to benefit as the proceeds from Financial share sales were re-invested elsewhere. Institutional operators, recently reluctant to commit funds ahead of the March 13 Budget, seemed anxious not to miss out and were forced into action. Their resumed purchases of selected blue chips often found dealers short of stock and very soon activated a squeeze on professional bear positions.

American investors showed renewed interest for ICI, Beecham and Glaxo which, along with four other FT Industrial Ordinary share index constituents, achieved double-figure gains. The largest percentage rise, however, was made by recently-beleaguered GEC, up 7 at 182p; the index closed just short of the session's highest with a gain of 8.5 at 828.3.

Government securities provided more than their fair share of excitement. Sizeable domestic and more overseas funds were committed to the area, producing livelier trading and eventually allowing the authorities to sell further tap stock supplies; the Government Broker accepted bids of £25½ for partly-paid Exchequer 9¾ per cent 1988 and then withdrew. Activity embraced the whole Gilt-edged sector with gains ranging to ¼ among medium-life stocks and to ⅛ among the shorts. Low coupon issues, however, remained out of favour and often displayed small losses.

Life issues tumble

Life Insurance received a severe drubbing on mounting anxiety about the forthcoming Budget. An early wave of selling prompted a savage mark-down across the board and very few quotations managed even a token rally. After Wednesday's fall of 19, Pearl plunged another 46 to 785p, after 780p, while Legal and General, 470p, and Prudential, 432p, both shed 28. Sun Life lost 40 to 575p and Equity and Law Life 35 to 770p. Hambro Life, the subject of a sizeable put-through, gave up 31 at 425p. Britannic, 473p, Refuge, 413p, and London and Manchester, 485p, all closed around 20 lower.

Composite Insurances contrasted with Royals' better-than-expected preliminary results and one-for-four scrip issue coming just a day after General Accident's satisfactory figures. Royals settled a net 18 up at 520p, after 540p, while GA added 8 more at 468p and Commercial Union hardened a couple of pence to 173p, after 175p. In contrast, Phoenix shed 12 to 448p as bid hopes continued to fade.

The big four clearing banks succumbed to selling also aroused by Budget fears, but closed a shade above the worst. Barclays, which opens the dividend season next Monday, ended 13 off at 532p, while Lloyds settled 18 lower at 580p, after 578p. NatWest closed 12 down at 723p and Midland 6 cheaper at 382p.

The start of dealings in Hanson Trust 8 per cent Convertible 2004-09, issued in connection with the succesful bid for London Brick, was lively; the stock moved steadily forward from the opening level of £102½ to close at £106½.

Denmans Electrical made a quiet debut in the Unlisted Securities Market, opening and closing at 175p compared with the placing price of 162p.

Clwyd-based Border provided a St David's Day highlight in regional breweries, attracting a lively business and advancing 25 to 240p on news that the company is involved in talks with a third party; Forshaws Burtonwood has already offered 175p per share, while Marston Thompson and Evershed has built up an 8.2 per cent holding. Wines and spirits featured Matthew Clark, which improved 30 to 395p following a newsletter recommendation.

Buildings met with further selective support. Taylor Woodrow rose 30 to 655p, while fresh demand in a market short of stock lifted AMEC 10 to 234p. Recently-dull Bryant picked up 4 at 68p and William Leech put on 5 to 94p, after 100p, the latter on rumours that a large stake had changed hands outside the market. Buying ahead of next Monday's preliminary results lifted Johnstones Paints 10 to 120p. Erith firmed 4 to 77p; the annual results are due on April 10.

ICI attracted revived U.S. demand and rose 12 to 584p. Coalite added 3 to a 1983-84 peak of 192p and Croda International gained the turn to 117p, after 118p.

Stylo advanced 25 to 285p, after 288p, following the announcement that Harris Queensway's offer of 325p cash per share has received acceptance accounting for just over 48 per cent of the equity. With the stake already owned, this gives Harris control of 53.2 per cent of the issued capital but, owing to Stylo's share structure, only around 30 per cent of the votes. The offer has been extended until March 14.

Suggestions of a consumer credit tax failed to unsettle leading Retailers. Woolworth finished 10 better at 400p and Burton 6 dearer at 222p. Marks and Spencer firmed 3 more to 229p but Habitat Mothercare, buoyant recently in the wake of a circular from brokers Capel-Cure Myers, encountered sporadic profit-taking and shed 6 to 310p. Dealers reported improved turnover in secondary Stores with attention again centred on the more speculative issues. Sumrie Clothes touched 174p before closing only a net penny up at 168p and Rivlin also finished below the best at 81p, up 4. J. T. Parrish rose 10 to 255 and French Connection 7 to 232p.

Stylo advance

Interest generally in the Electrical leaders was at a relatively low ebb, but GEC encountered revived demand after the recent lean spell and put on 7 at 182p. Elsewhere, Telemetrix were good again at 275p, up 11, following the company's formation of a new subsidiary to manufacture specialist terminals for the videotex market. Persistent demand lifted Chloride 3 further to 35p, while United Scientific were outstanding at 260p, up 12. Unlisted stocks recorded some further useful gains. Cifer put on 11 to 126p and MMT Computing advanced 12 to 137p. DJ Security Alarms hardened 3 to 96p after the annual results.

Leading Engineers rarely strayed from previous closing levels. Among secondary issues, Bullough, up 20 more at 340p, continued to benefit from acquisition news, while Ratcliffs (Great Bridge) improved 2 to 92p on the reduced annual loss and maintained dividend.

Tate and Lyle highlighted Foods, rising 12 to 400p following the chairman's optimistic statement at the annual meeting. Recent Press suggestions that the shares were due a re-rating continued to boost Associated British Foods, which added 4 more to 178p, while revived speculative demand lifted Paterson Jenks 14 to 187p, after 189p. The latest circular rejecting Avana's bid lifted Bassett Foods 6 to 161p. Taverner Rutledge improved 4 to 48p following the return to profitability.

Leading Hotels and Caterers remained subdued. Grand Metropolitan hardened 3 to 343p, but Trusthouse Forte softened a penny to 206p, after 210p. Elsewhere, Kennedy Brookes were marked up 8 to 228p following impressive preliminary figures.

Beecham good

U.S. favourites, Beecham, up 10 more at 330p, and Glaxo, 22 higher at 765p, were the focal points in the Miscellaneous Industrial leaders. Elsewhere, LRC International came to life with a rise of 8 to 110p following a visit to the company by brokers James Capel. In contrast, Johnson Matthey touched 268p before recovering to close unaltered at 280p, with sentiment still being affected by the statement regarding restructuring costs which accompanied the third-quarter figures. Consultants with a gain of 40 to 690p, after 700p, in response to good preliminary figures and the capital proposals British Aerospace, up to 250p at one stage, ran back to close unaltered at 242p following details of the Government's funding proposals for the A-320 Airbus. Courtney Pope edged up a couple of pence to 137p on the increased interim dividend and profits, while Turner and Newall firmed 2 more to a 1983-84 peak of 94p ahead of the results, due later this month. Fresh demand in a limited market left Wolseley-Hughes 17 higher at 555p; the interim figures are expected on March 12. Applied Computer were quoted ex-rights at 650p, up 20, with the new nil-paid shares at 180p premium, after 200p premium.

Miss World Group rose 13 to 165p on the announcement that Hawley Group had increased its stake in the company to 26.2 per cent. Horizon Travel attracted fresh support and improved 5 for a two-day gain of 12 to 180p; the preliminary results are due shortly.

Major BL dealers Henlys attracted fresh speculative demand and touched 122p before settling 9 up on balance at 121p following the statement that coachbuilders Coleman Milne—an offshoot of Mr Michael Ashcroft's Hawley—had increased its stake to 20 per cent. Belfast-based distributors Charles Hurst continued to draw interest in a narrow market and firmed 5 more to 153p; the preliminary results are expected later this month.

Greetings cards manufacturers W. N. Sharpe hardened 10 to 330p following the increased annual dividend. Elsewhere, printing ink and roller makers Usher-Walker stood out with an advance of 36 to 196p amid increased speculation of a bid from paint group Manders which recently raised its holding in Usher-Walker to 10 per cent. Advertising agencies went better under the lead of Saatchi and Saatchi, 30 dearer at 595p. Geers Gross rallied 4 to 103p, while Wight Collins Rutherford Scott added a similar amount at 340p.

Sporadic early support of leading Properties faded and quotations closed below the best. Land Securities finished a couple of pence dearer at 275p, after 278p. Elsewhere, Rush and Tompkins drew fresh speculative support and touched 246p before closing a net 6 up at 242p, while Stewart Nairn revived with a gain of 2 to 26p, after 27p. Bairstow Eves hardened a penny to 96p following the £1.9m acquisition of Peter Rainbow and Associates, a firm of mortgage and insurance brokers. C. H. Beazer rose 8 to 330p on an investment recommendation.

BP advance

Increased concern over the conflict in the Middle East led to good gains in leading oils. The emergence of light profit-taking prompted a minor setback in the early afternoon before buyers regained the upper hand in the after-hours' business. BP were finally a net 12 to the good at 440p, after 443p, and were additionally boosted by news of an encouraging series of gas discoveries in the North Sea. Shell attracted good support and closed a like amount higher at 642p, while Britoil edged up 2 to 250p. Ultramar advanced 10 to 685p. Irish issues were much quieter than of late, but Atlantic made late progress to end the day a net 20 firmer at 510p. Elsewhere, Canada's Night Hawk Resources added 15 more at 570p following the drilling success in the U.S.

Among Overseas Traders, Lonrho succumbed to late selling aroused by the absence of developments concerning its near-30 per cent stake in House of Fraser; "put" option activity was also an influence and Lonrho closed 5 off at 141p. Mitchell Cotts were unchanged at 58p despite the 29 per cent interim profits expansion.

RTZ down again

South African Golds remained a quiet market in dollar terms reflecting the further decline in the bullion price, but sterling prices were given a boost by the easier pound.

Actual business was negligible, but the decline in sterling against the U.S. currency enabled quotations to edge higher throughout the day, thereby lifting the Gold Mines index by 7.0 to 672.3.

Bullion, however, continued to ease, and closed a net $1.75 lower at $393.25 an ounce.

Winkelhaak rose ⅞ to a 1983-84 high of £35¼, while Kloof and Vaal Reefs were up ½ apiece at year's highs of £36⅞ and £91⅞ respectively.

South African Financials traded similarly to Golds, although good demand developed for Transvaal Consolidated Land, £1½ to the good at £29. Johnnies, a point firmer at £94 and "Amgold," which added a like amount at £86½.

The easier bullion price and a general lack of interest left London Financials with widespread losses. Gold Fields dropped a further 10 to 582p, Charter 5 to 225p and Rio Tinto-Zinc 13 to 644p.

Australians continued to lose ground; overnight domestic markets registered their unease over Wall Street's current trend, as well as recently dull metal markets, so dealers marked share prices down at the start of trading here.

Thereafter, values showed little change. The leaders featured renewed weakness in Peko-Wallsend, another 12 off at 344p, despite the profits increase, CRA, which fell 6 more to 366p on disappointment with the full-year results, and EZ Industries, 8 lower at 322p following the recent poor mid-term figures. Golds were similarly depressed, Whim Creek retreating 6 more to 242p on further consideration of the deal with Canada's Northgate Exploration.

Revived enthusiasm for the underlying securities was mirrored by Traded Options, which attracted 3,828 contracts. Marks and Spencer proved popular with 691 calls transacted, 318 in the April 220's. Beecham were also in demand with 505 calls struck, 219 in the March 330's, which rose 7 to 12p. GKN recorded 335 calls with the majority done in the March 220's.

FINANCIAL TIMES STOCK INDICES

	March 1	Feb. 29	Feb. 28	Feb. 27	Feb. 24	Feb. 23	year ago
Government Secs ...	83.87	82.64	82.72	82.49	82.59	82.96	79.76
Fixed Interest ...	86.69	86.82	86.86	86.81	86.90	86.99	81.12
Industrial Ord. ...	828.3	819.8	819.1	819.1	815.8	806.9	661.6
Gold Mines ...	672.3	665.3	672.8	652.5	656.6	671.0	624.1
Ord. Div. Yield	4.46	4.51	4.60	4.59	4.67	4.63	4.86
Earnings, Yld.% (full)	9.56	9.69	9.80	9.79	9.79	9.93	10.21
P/E Ratio (net) (*) ...	12.64	12.48	12.35	12.37	12.36	12.84	11.82
Total bargains	21,929	26,095	25,675	27,000	28,040	22,660	24,130
Equity turnover £m.	-	217.44	235.56	274.93	344.04	300.50	291.53
Equity bargains	-	16,861	18,267	21,974	23,881	21,846	21,388
Shares traded (ml)		127.0	135.6	171.6	196.8	178.3	183.0

10 am 823.3. 11 am 823.7. Noon 825.4. 1 pm 828.1. 2 pm 828.1. 3 pm 828.5.

Basis 100 Govt Secs 8/1/58. Fixed Int 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 11.87.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.47 (30/1/84)	79.05 (17/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	840.5 (25/1/84)	598.4 (12/1/83)	840.5 (25/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.9 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 29	Feb. 28
Daily		
Gilt Edged Bargains	166.5	205.6
Equities Bargains	109.2	118.4
Value	439.5	476.1
5-day Average		
Gilt Edged Bargains	179.0	177.5
Equities Bargains	133.2	136.1
Value	655.2	580.4

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Thur March 1 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Feb 29 Index No.	Tues Feb 28 Index No.	Mon Feb 27 Index No.	Fri Feb 24 Index No.	Year ago (approx) Index No.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Thur March 1	Day's change %	Wed Feb 29	xd adj. today	xd adj. 1984 to date
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Thur March 1	Wed Feb 29	Year ago (approx)
[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or -	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or -
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or -
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
350	F.P.	29/2	394	378	Sketchley..	380	+2

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ▮ Allotment letters (or fully-paid). ‖‖ Introduction. ✤ Unlisted Securities Market. § Placing price. †† Official London Listing. ‡ No par value.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb 20	Mar 2	May 31	June 11
Mar 5	Mar 16	June 14	June 25
Mar 19	Mar 30	June 28	July 9

For rate indications see end of Share Information Service

Demand for Options contracted but calls were struck in Ladbroke, Bryson, Brooke Bond, Lonrho, Brent Chemicals International, Mandarine Resources, Bridon, Premier Oil, Sheafbank, Brunswick Oil, First National Finance, Amalgamated Estates, GEC, London and Northern, Chloride, Churchill Energy, Southern Goldfields, W. E. Norton and Monarch. A put was arranged in Lonrho, and a double in Cluff Oil "B."

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Beecham	330	+10
BP	440	+12
General Accident	468	+ 8
Hambro Life	425	−31
ICI	584	+12
Johnson Matthey	280	—
Leech (Wm)	94	+ 5
Legal and General	470	−28
Pearl Assurance	785	−46
Royal Insurance	520	+18
Stylo	285	+25
Tate and Lyle	400	+12

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Dewey Wrrn N	26	113	—
Petranol New	25	142	—
Arlen Elect	15	107	+13
Plessey	15	224	+12
Gen Accident	14	460	+17
V. W. Thermax	14	180	+ 5
Std Tel & Cbls	13	306	+ 6
Tricentrol	13	208	+ 8
BICC	12	270	+10
Beecham	12	320	+10
Glaxo	12	743	+ 3
Norbain Elts N	12	190	+ 3
Thorn EMI	12	620	+ 3
ICI	11	572	− 2

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	71	18	14
Corpns. Dom. and Foreign Bonds	25	2	51
Industrials	339	169	906
Financial and Props.	84	85	356
Oils	38	13	70
Plantations	2	5	13
Mines	46	54	72
Others	94	28	75
Totals	699	374	1,557

FT-SE 100 INDEX

Close	1046.1	(+5.8)
Day's high	1047.1	(15.00)
Day's low	1042.1	(9.35)

(Base value=1000 January 3 1984)

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (101)

BRITISH FUNDS (11)
INT. BANK & O'SEAS GOVT STLG. ISSUES (6)
CORPORATION LOANS (2)
COMMONWEALTH & AFRICAN LOANS (1)
BANKS (1)
BREWERS (2)
BUILDINGS (6)
CHEMICALS (1)
STORES (4)
ELECTRICALS (6)
ENGINEERING (8)
FOODS (4)
INDUSTRIALS (22)
LEISURE (3)
MOTORS (2)
NEWSPAPERS (1)
PAPER (2)
PROPERTY (4)
TEXTILES (2)
TRUSTS (8)
OILS (1)
MINES (4)

NEW LOWS (5)

AMERICANS (1)
Public Serv. Elec. & Gas

INDUSTRIALS (4)
Securicor — Security Services
Do. A N/V — Do. A N/V

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$400	16	15	—	—	—	—	$394
GOLD C	$425	10	25	—	—	—	—	"
GOLD C	$450	3	3.20	—	—	—	—	"
GOLD C	$350	42	2	—	—	—	—	"
GOLD C	$375	40	7.50	—	—	—	—	"
GOLD P	$400	2	13	—	—	—	—	"
GOLD P	$425	1	31	—	—	—	—	"
		March		June		Sept.		
SILVER C	$9	2	0.70	3	1.25	1	1.45 A	$9.55
SILVER C	$10	—	—	25	0.61	9	1	"
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS 15,627

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*436)	390	53	58	—	6	[illegible]	[illegible]
	420	32	40	48	18	[illegible]	[illegible]
	460	9	14	28	43	[illegible]	[illegible]
Cons. Gold (*584)	460	135	142	—	1	[illegible]	[illegible]
	500	95	105	110	4	[illegible]	[illegible]
	550	57	67	70	16	[illegible]	[illegible]
	600	20	35	40	40	[illegible]	[illegible]
	650	6	15	25	72	[illegible]	[illegible]
Courtaulds (*134)	90	46	48	—	0¼	[illegible]	[illegible]
	100	36	38	—	1½	[illegible]	[illegible]
	110	27	29	—	1½	[illegible]	[illegible]
	120	18	20	—	1½	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Mar. 1. Total Contracts, 3,982. Calls 2,895. Puts 933.

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY—Continued

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

Australians

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	16½	......	—	—	—
52	28	♥Allstate Expl. NL	35	......	—	—	—
10½	3¼	♥Asia Oil & Mins.	4¼	......	—	—	—
40	9	♥Australis Mng. NL	27	......	—	—	—
35	11	♥Balmoral Res	31	-1	—	—	—
60	29	♥Black Hill Mins.	35	......	—	—	—
104	51	♥Bond Corp	96	-2	Q10c	0.7	7.1
183	116	♥Bougainville 1 Kina	153	-5	Q15.56c	♦	6.9
396	204	♥CRA $2	330	-6	Q12c	♦	2.4
145	60	♥Carr Boyd 20c	82	-1	—	—	—
44	25	♥Central Kalgoorlie	35	......	—	—	—
43	18	♥Central Pacific	22	......	—	—	—
9	2¼	♥Com Gold Mng Areas	3½	......	—	—	—
17	5	♥Coopers Res N.L.	7	-½	—	—	—
255	183	♥Crusader Oil	202	-4	—	—	—
28½	8	♥Cultus Pac NL	11½	-½	—	—	—
19	7	♥Eagle Corp 10c	8½	......	—	—	—
258	96	♥Emperor Mines	250	......	—	—	—
16½	8	♥Endeavour 20c	12½	......	—	—	—
58	17	♥Enterprise Gld Mines	29	......	—	—	—
810	500	♥GM Kalgoorlie 25c	660	-5	hQ10c	♦	1.0
24½	6	♥Grt. Eastern Mines	21	......	—	—	—
35	9	♥Great Victoria Gold	34	......	—	—	—
32	15½	♥Haoma NW	19	......	—	—	—
92	26	♥Hill Minerals N.L.	35	......	—	—	—
41	13	♥Intnl Mining	19	......	—	—	—
20	5	♥Ivanhoe Gld. N.L.	8¼	......	—	—	—
100	25	♥Jingellic Minerals	32	......	—	—	—
42	15	♥Kalbara Min 20c	17	......	—	—	—
36	9	♥Keywest Invs	33	......	—	—	—
12½	9¼	♥Kia Ora Gold N L.	11¼	-¼	—	—	—
134	54	♥Kitchener NL 25c	102	......	—	—	—
180	50	♥Meekatharra 25c	50	-2	—	—	—
58	24	♥Metals Ex 50c	44	-1	n—	—	—
200	22	♥Metana Minerals N.L.	178	-2	—	—	—
52	23	♥Metramar Mns 20c	37	-1	—	—	—
279	210	♥MIM Hldgs 50c	210	-4	Q5c	1.5	1.6
16	5	♥Mincorp 20c	12½	-½	—	—	—
8	3	♥Minefields Expl 25c	4½	-½	—	—	—
46	23	♥Newmetal 20c	34	-1	—	—	—
•213	128	♥North B Hill 50c	165	-5	†Q8c	1.4	3.2
90	38	Nth. Kalgurli	76	-3	—	—	—
86	52	♥Oakbridge 50c	52	-1	‡Q7c	1.5	‡
57	23	♥Otter Expl'n NL	43½	-1	—	—	—
150	64	♥Pancont'l 25c	70	-2	n—	—	—
9½	4	♥Pan Pacific Pet NL	7½	......	—	—	—
75	35	Paringa Mng & Expln 5p	62	......	—	—	—
456	300	♥Peko-Wallsend 50c	344	-12	Q05c	0.2	0.9
15½	6	♥Pelsart Res NL	12½	-1	—	—	—
298	172	♥Renison 50c	222	-6	Q10c	0.1	3.0
270	135	♥Do Defd	205	-5	—	—	—
83	20	♥Samantha Expl'n NL	41	-1	n—	—	—
52	21	♥Samson Expl'n NL	28	-1	—	—	—
82	49	♥Seltrust 50c	62	-2	—	—	—
58	24	♥Sons of Gwalia N.L.	40	-2	—	—	—
27	11	♥Sthn. Goldfields	19	-1	—	—	—
19	7	♥Southern Pacific	10	......	—	—	—
133	50	♥Southern Res	116	-7	—	—	—
14	6	♥Southern Ventures 25c	7¼	-¼	♦—	—	—
50	17	♥Swan Res 20c	17	......	—	—	—
110	60	♥Tunas Res N.L.	60	-10	—	—	—
58	31	♥United Goldfields	39	......	—	—	—
24	5	♥West Coast 25c	9½	......	—	—	—
38	8½	♥Western Core. 50c	13½	......	—	—	—
286	168	Western Mining 50c	248	-6	†Q2c	7.6	0.5
272	53	♥Whim Creek 20c	242	-6	—	—	—
47	7	♥Windsor Res. NL	21	......	—	—	—
37	8	♥York Resources	18	......	—	—	—

Tins

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
245	175	Ayer Hitam SM1	220	......	vQ85c	1.0	11.6
187	83	Geevor	155	......	24.0	—	3.7
18	10	Gold & Base 12½p	10½	......	—	—	—
435	290	Gopeng Cons.	400	......	♦4.0	5.0	1.4
600	525	Hongkong	575	......	—	—	—
21	13	Jantar 12½p	18	......	1.5	0.2	11.9
270	100	Kamunting SM0.50	195	......	†tQ27½c	0.8	4.2
96	56	Malaysia Mng. 10c	63	-1	‡vQ11c	0.9	‡
57	28	♥Pahang	45	......	B—	—	—
500	325	Pengkalen 10p	500	......	1.0	—	0.3
330	225	Petaling SM1	300	......	vQ130c	♦	12.1
260	185	Sungei Besi SM1	260	......	‡vQ185c	1.1	‡
68	40	♥Supreme Corp MS1	63	......	wQ3½c	♦	1.8
325	93	Tanjong 15p	260	......	g3.5	—	1.9
210	60	♥Tongkah H. Tin SM1	210#	......	sQ5c	1.6	0.7
300	190	Tronoh SM1	250	......	vQ90c	1.1	10.8

Miscellaneous

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
170	15	♥Admiral Mines	18	......	—	—	—
90	34	♥Anglo-Dominion	67	......	—	—	—
99	48	♥Anglo Utd. Dev.	59	+1	—	—	—
400	180	♥Centennial Minerals	317	+7	—	—	—
175	60	♥Colby Res Corp.	160	......	—	—	—
850	315	Cons. Murch. 10c.	800	-5	100c	♦	7.3
£18½	£10⅝	Eastern Trans Cons 50c	£17½	......	Q85c	4.9	2.4
240	170	Hampton Areas 10p	223	......	3.75	2.1	2.3
215	103	♥Highwood Res	180	-2	—	—	—
£24½	£17½	Homestake Mining $1	£22¼	-¼	Q20c	—	0.7
495	275	Northgate C$1	325	+5	—	—	—
687	437	R.T.Z.	644	-13	t17.0	2.9	3.8
£148½	£108	Do.9½%Cv.Dn.Ln.'95-2000	£142	-2	Q9½%	32.5	16.8
190	13	♥Sabina Inds C$1	95	+5	—	—	—
£11¼	312	♥Tara Expln. $1	965	+15	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♯ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or —	Stock	Price	+ or —
Albany Inv. 20p	76	......	Fin. 13% 97/02	£91¼	+¼
Craig & Rose £1	980	......	Alliance Gas	72	......
Finlay Pkg. 5p	47	-1	Arnott	217	......
Higsons Brew	100	......	CPI Hldgs.	84	......
Holt (Jos) 25p	890	......	Carrol Inds.	117	......
I.O.M. Stm. £1	127	......	Hall (R. & H.)	58	-3
			Heiton Hldgs.	21	......
			Irish Ropes	53	......
IRISH			Jacob (W. & R.)	65	......
Exch. 12% 1985	£99	......	T.M.G.	60	-10
Nat 9¾% 84/89	£86¼	......	Unidare	75	......

For Bridgewater see Property

OPTIONS

3-month Call Rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		House of Fraser	21	Vickers	12
Allied Lyons	13	I.C.I.	45	Woolworth Hld.	35
BOC Grp.	20	"Imps"	12		
B.S.R.	18	I.C.L.	6	**Property**	
Babcock	15	Ladbroke	21	Brit. Land	9
Barclays Bank	45	Legal & Gen.	45	Cap. Counties	15
Beecham	28	Lex Service	35	Land Sec.	34
Blue Circle	40	Lloyds Bank	50	MEPC	29
Boots	17	"Lofs"	3	Peachey	17
Bowaters	22	London Brick	10	Samuel Props.	12
Brit. Aerospace	19	Lucas Inds.	16	Sterling Guar.	4
B.A.T.	14	"Mams"	12		
Brown (J.)	3	Mrks. & Spncr	28		
Burton Ord.	38	Midland Bank	42	**Oils**	
Cadburys	11	N.E.I.	10	Bristol Oil & Min.	6
Courtaulds	11	Nat. West. Bank	55	Brit. Petroleum	35
Debenhams	14	P & O Dfd.	22	Burmah Oil	16
Distillers	20	Plessey	20	Charterhall	8
Dunlop	5	Racal Elect.	18	Premier	5
Eagle Star	60	R.H.M.	7	Shell	50
F.N.F.C.	6½	Rank Org. Ord.	19	Tricentrol	20
Gen. Accident	42	Reed Intnl.	34	Ultramar	60
Gen. Electric	17	Sears	8		
Glaxo	75	T.I.	14	**Mines**	
Grand Met.	30	Tesco	16	Charter Cons.	22
G.U.S. 'A'	55	Thorn EMI	55	Cons. Gold	50
Guardian	45	Trusthouse	16	Lonrho	8
G.K.N.	16	Turner & Newall	8	Rio T. Zinc	50
Hawker Sidd	32	Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 43

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

Insurances—continued

Colonial Mutual Group
24 Ludgate Hill, EC4P 4BD. 01-248 9861
Capital Life Assurance

Key Inv Fd	—	127.95	....	—
Pcmkr Inv Fd	—	126.46	....	—
Equity Fd	109.86	115.64	....	—
Fxd Int Fd	105.63	111.21	....	—
Propty Fd	102.02	108.44	....	—
Cash Fd	101.43	106.70	....	—
Managd Fd	111.37	117.23	....	—

Col Mut Life (Pension Annuities)

MpCpA/B	102.09	107.47	....	—
MpInvA/B	102.43	107.84	....	—

Commercial Union Group
St Helens, 1 Undershaft, EC3. 01-283 7500

VarAnAcFb25	—	158.87	....	—
VarAnMar2	—	34.48	....	—

Prime Series—Life

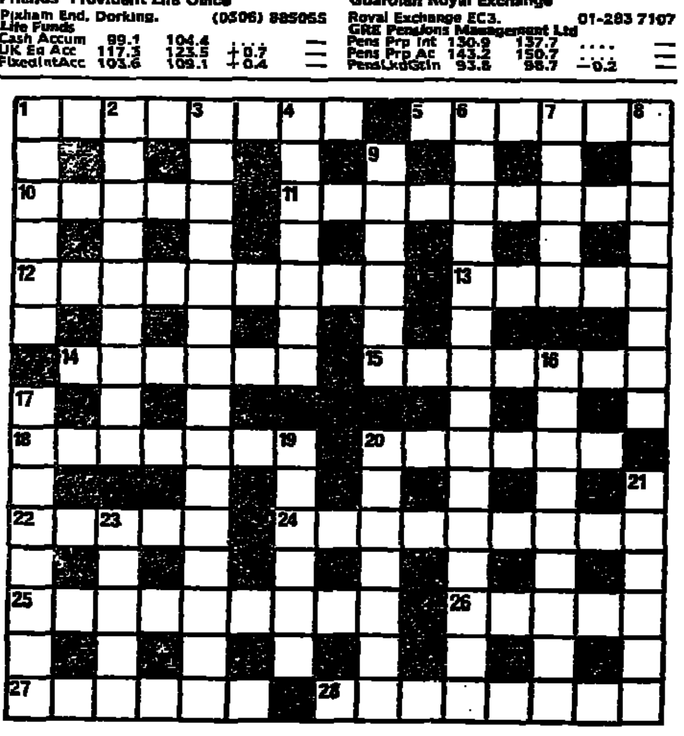
Managed	133.4	140.5	+0.1	—
UK Equity	138.9	146.3	+0.5	—
Int Equity	124.0	119.8	+0.6	—
Property	104.7	110.3	+0.2	—
Fixed Int	113.8	119.8	+0.6	—

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,356



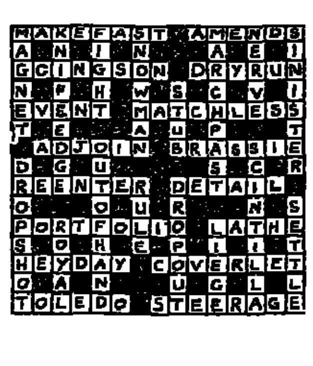
ACROSS

1 Does turn dead miserable (8)
5 Go along with one from the Ford plant (6)
10 Get up for the Conservative member (5)
11 But something charged causes offence (9)
12 It's well-mannered of one to practise this code (9)
13 Open upside-down to start with (5)
14 There's a thousand clues about beef! (6)
15 Barker holds the leading Liberian colonist (7)
18 Gossip about the conservationists' money (7)
20 Indicate that it's not in a flower (6)
22 When "nuisance" includes "boredom" (5)
24 Significant player (outside-left) is completely in it (9)
25 I chop it, as when chopped up, it's almond-flavoured (9)
26 Convict about to turn to drink (5)
27 Called the beastly place and went ahead (6)
28 It makes an awful lot of people late! (8)

DOWN

1 Cut the end off a film ticket (6)
2 Religious liar is put out (9)
3 Nine months pregnant, she's the one standing for election! (6, 9)
4 Play here (7)
6 Parts for "Carry On" actors? (10, 5)
7 Detailed Violet to move her (5)
8 Can cruet change colour? (8)
9 Guards the gang on board (6)
16 Left the cigar to go out, lacking energy (9)
17 Tries to get at the relief typist on the way back (8)
19 Little point going to fair (6)
20 For certificate see master after swim (7)
21 A fast way to die? (6)
23 The French leave Stanley in ruins, which is dangerous (5)

Solution to Puzzle No. 5,355



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man Fd		250.72	...	—
Managed Inv. Fd	167.73	176.66	...	—
Property Fd.	153.17	161.28	...	—
Fixed Interest Fd.	148.81	156.95	...	—
Cash Fd	137.97	145.28	...	—
Income Fd	196.83	207.19	...	—
Extra Income Fd.	188.24	198.15	...	—
Worldwide Growth Fd.	236.57	249.03	...	—
Balanced Fd.	195.32	205.60	...	—
Smlr Co's & Recy Fd	222.82	233.70	...	—
Int. Technology Fd	270.21	[illegible]	...	—
Nth Amer. & Gen Fd.	160.43	168.88	...	—
Energy Int. Fd.	111.90	117.79	...	—
Pacific Basin Fund	168.26	168.70	...	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444-414311

Managed	116.4	122.5	...	—
Property	119.4	125.6	...	—
Equity	126.8	133.6	...	—
International	124.8	134.7	...	—
Fixed Interest	104.1	109.6	...	—
Deposit	101.1	106.4	...	—
Managed Pen. Cap.	115.8	122.0	...	—
Property Pens. Cap.	120.2	126.5	...	—
Equity Pens. Cap.	120.7	127.1	...	—
Intnl. Pens. Cap.	151.1	159.0	...	—
Fixed Int. Pens. Cap.	100.1	105.4	...	—
Deposit Pens. Cap.	96.3	101.5	...	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		183.6	-3.5	—
Retd. Fed. Jan. 6		280.3		—
Managed Pen Fund	190.5	200.5	+1.1	—
Property Pen Fund	117.8	124.0	-0.1	—
Index Lkd Pen Fund	110.8	116.6		—
Managed	127.8	134.6	+0.1	—
Property	106.4	112.0		—
Gilt and Fixed Interest	109.3	115.1	+0.3	—
Index-Linked	95.9	101.0	-0.1	—
Equity	129.0	135.8	+0.4	—
Cash	106.5	112.2		—
National Eq. Unit Tst.	126.7	133.4	+0.3	—
Midland Bank Instl.	134.4	142.1	-0.2	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£40.29	—	-0.06	—
Property Units	£17.49	—	+0.02	—
Equity Bond/Exec.	£26.11	27.43	-0.02	—
Prop. Bond/Exec.	£22.86	24.19	+0.02	—
Bal. Bd./Exec/Unit	£23.74	25.12	-0.02	—
2nd Equity Acc.	203.3	215.7	-0.2	—
2nd High Inc/Acc.	169.1	178.9		—
2nd Property Acc.	174.2	184.3	+0.1	—
2nd Managed Acc.	171.9	181.9	-0.1	—

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	121.8	128.3	...	—
G.T. Pen High Yld Fnd	130.9	137.8	...	—
G.T. Plan Far East Fnd	128.0	134.8	...	—
G.T. Plan N. Am Fd	124.1	130.7	...	—
G.T. Pln UK&G.E. Fnd	149.8	157.3	...	—
G.T. Pln Wrldwde Fnd	146.3	154.0	...	—
G.T. Pension Bnd Fnd.	133.8	140.1	...	—
G.T. Pen High Yld Fd	151.7	159.7	...	—
G.T. Pen Far East Fd	158.1	167.0	...	—
G.T. Pen N. Am. Fd	173.2	182.4	...	—
G.T. Pen UK & G.E. Fd	173.7	182.4	...	—
G.T. Pen Worldwide Fd	156.9	165.2	...	—

Prices for Accum. Units only

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY 01-488 0733

Int. Managed Bond	172.0	181.8	...	—

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		257.4		—
Portfolio Fd. Inc.		209.8		—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd B'mouth. 0202 767655

Managed Fd.	279.5	294.0	-3.4	—
Money Fd	157.8	166.1	+0.2	—
Equity Fd.	231.8	243.4	+1.9	—
Fixed Int. Fd	120.8	126.9	+0.5	—
Property Fd.	176.2	185.7		—
Managed Pen. Fd	272.5	287.1		—
Equity Pension Fd	173.7	183.0		—
Fixed Int. Pen. Fd.	168.8	177.4		—
High Yield Pen. Fd.	166.5	175.5		—
Money Pension Fd	131.6	138.6		—
Property Pension Fd.	129.9	136.9		—

Gresham/Huntingdon

American & Gen. Fd.	224.4	236.6	+1.5	—
Income Fd	212.7	224.1	-1.0	—
Int'l. Growth Fd	262.5	276.8	-1.6	—
Capital Fund	217.0	228.7	+0.2	—
Recovery Fund	160.7	168.7	-1.0	—
Japan & Gen Fd	96.8	101.8	...	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU. 01-377 1122

Flexible Finance	£1.536	—	...	—
Landbank Secs.	£0.6874	—	...	—
Landbank Secs. Acc.	189.2	194.3	...	—
G & S Super Fd.	£11.590	—	...	—

Guardian Royal Exchange
Royal Exchange, EC3 01-283 7101

Guardian Assurance

Property Bonds	308.6	321.4	...	—

OFFSHORE AND OVERSEAS

Wardley Investment Services Ltd.,
4th Floor, Hutchison House, Hong Kong

Wardley Trust	$5.90	6.29	...	1.20
Wardley Nikko As. Fd	$26.04	27.67	...	5.42
Wardley Bond Trust	$10.64	11.20	...	8.30
Wardley Japan Trust	$30.36	32.44	...	0.46
Wardley Priv Cap Tst	$9.84	10.43	...	—

WestAvon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey. 0481 27963

Gilt & Option Fd	£1.18	1.23al	...	2.50
US $ Option	$0.84	0.89	...	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.51		...	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund.	24.1	25.1	+2.3	—
Chinese Fund	61.9	64.4	...	—
Precious Metal Fund.	145.3	151.0	+12.4	—
Vanguard Cmdy. Fd.	35.5	36.5	...	—
Financial Futures Fd.	63.5	66.2	...	—
Wren Intl. Fnd.*	$0.844	0.879	...	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yield % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ● Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

New upsurge in cocoa values

BY RICHARD MOONEY

COCOA PRICES on the London futures market staged a dramatic rally yesterday with the May delivery position ending £92 up at £1,730.50 a tonne.

The weakness of sterling encouraged the rise, dealers said, but they thought the main upward influence was the development of a grossly oversold market during the recent heavy fall.

Before yesterday's rise nearby cocoa values had fallen nearly £400 a tonne from the five-year peaks reached at the beginning of this year. Industry buying on the way down has been only modest but present speculative trading has been dominating the market.

The decline has not beep without fundamental justification, however. Recent crop news from West Africa and Brazil has suggested that earlier world output projections were too low, having been influenced by alarmist reports about crop damage caused by drought and bush fires in West Africa last

At the end of last month London trade house Gill and Duffus estimated that 1983-84 production would fall short of demand by some 92,000 tonnes but since then traders have reassessed the position and some have suggested that even a small production surplus is not out of the question.

Yesterday, however, they seemed to have changed their minds again and one trader estimate dthat a seasonal deficit of 40,000-50,000 tonnes was likely. He said increased crop estimates would have trimmed back the deficit from the level predicted by Gill and Duffus, but at the same time the sharp price fall would have raised demand potential.

Trading on the cocoa futures market was exceptionally heavy yesterday with the total reaching 13,330 lots of 10 tonnes and the May position alone registering 7,526 lots.

Impala increases price of palladium

By Our Commodities Staff

IMPALA Platinum announced it has increased its producer price for palladium to $150 an ounce from $130, effective from yesterday.

No further details were immediately available, but it was understood the rise was due to increased demand for the metal.

The rise brings the producer price closer into line with the free market, where palladium is trading at $156 an ounce, after reaching a peak of $162.50 earlier this year.

● ZINC values rallied strongly on the London Metal Exchange yesterday on rising fears of the shortage of immediately available supplies worsening.

Cash zinc closed £19 up at £667.5 a tonne, increasing its premium over the three months quotation which gained £16.5 to £685.25. Yesterday's gain virtually wiped out the heavy losses suffered on Monday and Tuesday.

● INSPIRATION Consolidated Copper said it cut is workforce further at its Globe/Miami operation in Arizona due to low metal prices. It said the capacity reduction will allow the smelter to operate more efficiently and avoid a shutdown.

● TOTAL cereals usage by animal feed processors in the UK was 2.16m tonnes in August/December 1983, 7 per cent above the level in the corresponding 1982 period, the Home Grown Cereals Authority said.

● U.S. farm prices declined 1.4 per cent in February after increasing 2.1 per cent last month and were 7.6 per cent above last year, the U.S. Agriculture Department said.

● INDONESIA'S agricultural sector may grow by 3.5 per cent in 1984 after 7.5 per cent growth in 1983, a report issued by the U.S. Agriculture attache said.

Why farmers falter in their conversion to metric

Hectare is still a foreign term to farmers. John Cherrington on their resistance to change

IN 1975, as part of the general process of harmonising with the European system, metrication was imposed on farming. Pounds became kilos, tons turned into tonnes and acres became hectares. Sales of pocket calculators soared as farmers were forced to interpret the new terms into language they understood. The farming establishment, i.e. the National Farmers' Union, co-operated gladly. After all, this was part of the European integration to which they were looking forward.

The farming press also got the message. Farm sizes were given in hectares but for a while, to assist the less progressive of their readers, they used to put the acreage in brackets alongside. Some still do today and quite a few writers have never changed their allegiance to the old terms.

This is not simply an illustration of the inherent conservatism of farming. Somehow, the drive towards metrication has faltered and we are in limbo between the two systems. I sell my pigs and sheep to the wholesaler in kilos, but when he sends the carcasses out of the abbatoir they are sold in pounds avoirdupois. When I listen to the meat market reports they are all given in pence per lb. These are figures I understand and was brought up with. I can translate them back to the live animal I am rearing.

A dairy farmer sells his milk in litres now instead of gallons, but once the milk has been processed it is resold in pints to the housewife. To change the pint bottles into their metric equivalents would be a labour of Hercules. Think too, of the effect on a nation which has been conditioned to think of milk as pintas. How could one name in snappy terms .5625 of a litre—the metric equivalent of a pint?

Perhaps the dairy trade has a motive. If milk was sold in half litre packs the housewife who buys by the packet might not take as much as she does in pintas, so the surplus for butter-making would be increased. But when it comes to butter I notice that the familiar half pound packet of New Zealand butter has two labels — 250 grammes or 8.82 ounces. So the shopper is buying more butter each time, thus helping reduce the worldwide butter surplus.

When it comes to hectares, the authorities are far from having things their own way. Ministry of Agriculture officials stick to metric measures in their publications. All statistics are given in these terms, but few farmers do other than translate them back to acres. I wonder how many farmers still use acres in their annual returns, thinking that the civil servants who collect them may as well spend their time doing the conversions.

I know very few farmers who talk about their land in hectares. In this they are encouarged by the estate agents who advertise their properties in acres only. Rents are still fixed in acres, most farmers talk of their yields in acre terms and often use hundredweights as well. It would be hard for them to change. Many field names are size descriptions. Who is going to change the 12-acre meadow into 4.8 hectares? For one thing, it looks as though your property is being cut down to size.

Most farmers still work their land in acres. So many pounds of seed an acre, so many units of nitrogen. Once you are in that frame of mind you cannot easily understand an application rate for nitrogen in kilos per hectare. There have been attempts, particularly by the chemical companies, to issue their instructions in litres per hectare for the use of their wares. But they soon found that if they wanted to make sales they had to provide guidance on conversion to the old standards.

This farmer attitude is still strong. A meeting of several hundred farmers was recently reported to have voted by a large majority for a return to acreage terms. Their general attitude seems to be that they are too set in their ways to change the measuring habits of many generations, without due cause—i.e., without advantage to themselves.

But they can be made to change their minds. For instance, when selling grain or anything else by the metric tonne we do sense an advantage. The old imperial ton contained 2,240 lbs, the new one weighs 36 lbs less. So we are apparently gaining 36 lbs on every tonne we sell over the previous standard. No doubt the buyer makes allowance for this in his bid, but my calculator tells me that if he does not, each 36 lbs which I have not delivered is worth at present prices about £2. It is a nice thought, even if it is an illusion.

World wheat estimate up

BY JOHN EDWARDS, COMMODITY EDITOR

The International Wheat Council raised its estimate of world wheat production in 1983 by a further 3m tonnes to a record 490m tonnes in its market report, out yesterday. This compares with an outturn of 483m tonnes in 1982. Higher output in Australia and Eastern Europe is behind the latest rise in the estimated world crop.

However, the council has lowered its estimate of world coarse grain production by 2m to 686m tonnes, 100m below the 1982 figure. The decline follows continued drought in South Africa and cuts in Brazil and Nigeria more than offset increased output in China.

Looking at the prospects for this year's crops, the council notes that weather conditions in recent months have not been entirely favourable for overwintering wheat in the northern hemisphere, but the outlook generally remains encouraging in most major producing areas. Sowings of spring wheat are expected to rise sharply in the U.S. World output of coarse grains is also set to recover strongly, due to a steep rise in the area sown to maize (corn) in the U.S.

The report includes a special review on the effects of the fluctuating dollar on world wheat trade. It points out that a declining dollar will ease to some extent the financial plight of heavily-indebted developing countries.

Bauxite mine to close

BY CANUTE JAMES IN KINGSTON

REYNOLDS METALS is closing its Jamaican bauxite mining subsidiary to concentrate on a new project in Australia. A statement from the company said the decision to end its operations in Jamaica after 40 years was to take advantage of alternative sources of bauxite.

Reynolds is a participant in the $1.2bn Worsley bauxite and alumina complex in Western Australia.

The company said the decision to pull out of Jamaica had nothing to do with recently concluded negotiations for a new production levy between the five North American companies operating here and the government.

The company's decision is expected to adversely affect the weak Jamaican economy, which depends on the bauxite sector for 66 per cent of its foreign earnings.

The pullout will also dent Jamaican hopes to improve on last year's 7.3m tonnes output. About 200 workers will be made redundant by the closure of the mines.

● The average cash price of aluminium in 1984 will rise to £1,137 a tonne against £953 last year, according to a consensus of forecasts at a recent metals seminar staged by Hargreaves Williamson, research unit of Shearson / American Express. The company is predicting an average of £1,250.

USDA crop board investigates sources

BY NANCY DUNNE IN WASHINGTON

THE U.S. Department of Agriculture Crop Reporting Board, under attack for publishing inconsistent statistics early this year, has begun a two-month investigation of procedures and data sources used in 1982 and 1983.

Mr William Kibler, administrator of the department's statistical reporting service, appearing before a concerned house agriculture subcommittee late last week said the review would include soyabean, wheat and feed crop reports. If the investigators determine there is a need for revisions of earlier figures, they will be published in an appropriate report, Mr Kibler said.

The department announced the reassignment of four top statistical service employees on January 27 following several weeks of market consternation about conflicting reports of soyabean and maize stocks.

"The integrity of the crop reporting service is being questioned by farmers, commodity brokers and private analysts," said Congressman Pat Roberts, a Kansas Republican. "Every farmer in the nation makes economic decisions based on the crop reporting services' figures. Any hint of manipulation or inaccuracy should be thoroughly aired in public."

Mr Kibler sought to assure the subcommittee that the department would improve its reports, although he said there would be "no quick action just to calm some of the criticism."

He told the subcommittee the January stocks and crop production reports, which in the past have been issued 10 days apart, always showed some inconsistency but not of the same magnitude as this year. He pointed out that this year's reporting was made more difficult than in the past because of the payment-in-kind programme.

Mr Kibler said the board is now considering issuing January stocks and crop production reports on the same day.

Mr Hal Daub, a Nebraska Congressman, suggested that the board's figures "might be better received . . . if we were to simply reduce the number of reports issued, let the market adjust and perhaps replace some of those reports with simple averages, based on less frequent—perhaps quarterly—reports."

PRICE CHANGES

In tonnes unless stated otherwise	Mar. 1 1984	+ or —	Month ago
Metals			
Aluminium	£1100		£1100
Palladium oz	$156.00		$158.75
Platinum oz	£260.85	—7.7	£274.25
Quicksilver†	$299/308		$302/308
Silver troy oz	647.05p	—0.35	622.05p
3 mths	661.45p	—0.35	635.85p
Tin cash	£8440	+40	£8562.5
3 months	£8557.5	+40	£8719.5
Tungsten	$75.07		$74.41
Wolfram 22.04lb	$76/80		$74/78
Zinc	£667.5	+19	£710.75
3mths	£685.25	+16.5	£705.75
Producers	$1,050		$1060

	Mar. 1 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1120W		$1170
Other commodities			
Cocoa ship't*	£1778	+106	£1977
Futures May	£1730.5	+92	£1875.5
Coffee Ft. May	£1961	+41.5	£1947
Cotton A Index	87.90c	—0.85	88.40c
Gas Oil Apr	$248	+3.25	$245
Rubber (kilo)	81p		90p
Sugar (raw)	£108.5vu	+1	£126.5
Woolt'ps 64s	464 pkilo	—5	479pkilo

‡ Unquoted. u April. x May. y Feb-March. w March-April. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

The gas oil market opened at the lows and quickly steadied as further rumours from the Middle East increased nervousness. Prices slipped back in mid-morning before moving ahead again towards mid-day. The highs were reached on the re-opening but the market dropped back $2.00 on a disappointing New York opening before attracting more buying interest, reports Premier Man.

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Apr	30.62	—0.58	—
May	30.35	—0.15	—
June	30.50	+0.25	—
July	30.20	—	—
Aug	29.92	—0.03	—
Sept	30.15	—	—

Turnover: 0 (0) lots of 1,000 barrels.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.55-28.70	+0.02
Iranian Light	27.75-28.00	+0.15
Arab Heavy	26.75-26.90	+0.05
North Sea (Forties)	29.70-29.80	+0.05
North Sea (Brent)	29.80-30.10	+0.05
African (BonnyLi'ht)	29.60-29.90	+0.03
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	283-286	+1
Gas Oil	252-256	—0.5
Heavy fuel oil	174-179	—

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Mar	248.25	+3.25	248.25-45.50
April	248.00	+3.25	248.00-45.25
May	246.75	+3.75	247.00-44.75
June	245.50	+2.75	246.00-45.00
July	245.50	+3.00	246.00-44.00
Aug	247.00	+1.75	247.50-44.00
Sept	249.00	+2.75	248.25-47.75
Oct	251.25	+2.75	—
Feb	254.00	—	—

Turnover: 2,614 (1,624) lots of 100 tonnes.

GOLD MARKETS

Gold fell $1¾ to $393-393½ on the London bullion market yesterday. It opened at $395-395½, and was fixed at $395½ in the morning and $392½ in the afternoon. The metal touched a peak of $395¼-396¼, and a low of $391¾-392.

In Paris the 12½ kilo gold bar was fixed at FFr 102,200 per kilo ($396.18 per ounce) in the afternoon, compared with FFr 102,200 ($396.30) in the morning, and FFr 102,500 ($397.26) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,140 per kilo ($395.97 per ounce), compared with DM 3,280 ($396.95), and closed at $393-393¾, against $394¼-394¾.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $396.25 per ounce, unchanged from Wednesday.

In Zurich gold finished at $392¾-393¾, compared with $394¾-395.

EUROPEAN MARKETS

BRITISH COMMODITY PRICES

BASE METALS

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade

TIN

LEAD

ZINC

ALUMINIUM

NICKEL

SILVER

Silver was fixed 0.35p an ounce lower for spot delivery in the London bullion market yesterday at 647.05p. U.S. equivalents of the fixing levels were: spot $9.625, down 1.5c; three-month

POTATOES

The market was initially easier, but keen buying in quiet trade moved prices higher to close around the

COCOA

COFFEE

GRAINS

RUBBER

SOYABEAN MEAL

SUGAR

WOOL FUTURES

COTTON

LIVERPOOL—Spot and shipment sales amounted to 120 tonnes. Fair operation continued with attention again on African supplies. Certain Russian and Turkish quantities were wanted and

MEAT/FISH

INDICES

AMERICAN MARKETS

NEW YORK, March 1.

Gold and silver came under early pressure on profit-taking ahead of the money supply due out yesterday but recovered towards unchanged on a late recovery in currencies against the dollar, reports Heinold Commodities. Copper remained firm as early trade

to the carnival holiday. Coffee was firm on expectations of tightness in nearby supplies. Sugar rallied on lower than expected deliveries and on light user interest. Cotton continued to rally in sympathy with soyabeans as cash movement remained dull. Heating oil was firm on lack of selling as

NEW YORK

CHICAGO

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar slightly firmer

The dollar improved in currency markets yesterday in rather nervous trading. There appeared to be little incentive to push the dollar in either direction and in the absence of any positive trend, the U.S. unit recouped its early losses as activity increased with the participation of U.S. markets. Yesterday's U.S. M1 money supply figures were expected to be a little higher than had been anticipated and this may have provided some background support for the dollar.

It closed at DM 2.6090 from DM 2.5975 against the D-mark, having touched a low of DM 2.60. It was also higher against the Swiss franc at SwFr 2.1750 compared with SwFr 2.1675 and FFr 8.0375 compared with FFr 7.9800. Against the yen it was unchanged at Y233.40. On Bank of England figures, the dollar's trade weighted index rose from 126.6 to 127.8.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. February average 1.4409. Trade weighted index 82.9 against 83.2 at noon and in the morning compared with 83.2 on Wednesday and 85.5 six months ago.

Sterling lost ground against the dollar and most European currencies. There was probably some speculative switching of positions as the possibility of an oil shortage caused by the war betwen Iran and Iraq exerted a lesser influence on the market. The pound at $1.4850 against the dollar and traded between $1.4740 and $1.4885 before finishing at $1.4770-1.4780, a loss of 1.3c. Against the D-mark it slipped to DM 3.8575 from DM 3.8750 and SwFr 3.2150 from SwFr 3.2325. It was also lower against the yen at Y345 from Y348 and FFr 1.87 compared with FFr 11.9050.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. February average 2.7000. Trade-weighted index 126.0 against 125.2 six months ago.

The D-mark was firm at the Frankfurt fixing, improving against the dollar, sterling and most other major currencies. The dollar fell to DM 2.6028 from DM 2.6058, and was fixed at its lowest level since October 5. The U.S. currency rose to DM 2.6165 in early trading as a technical reaction to the sharp fall on Wednesday, but then retreated as commercial orders to sell the dollar appeared at anything above the DM 2.61 level. Sterling declined to DM 3.8690 from DM 3.8780, and the Swiss franc to DM 1.20 from DM 1.2033. Within the EMS the French franc weakened to DM 32.440 per 100 francs from DM 32.465, and the Dutch guilder to DM 88.545 per 100 guilders from DM 88.565. The Belgian franc was fixed slightly firmer at DM 4.8840 per 100 franc, compared with DM 4.8830, and its lower intervention level of DM 4.8820.

ITALIAN LIRA — Trading range against the dollar in 1983-1984 is 1.720.75 to 1.343. February average 1,687.32. Trade weighted index 48.8 against 50.2 six months ago.

The lira had a weaker tone at the Milan fixing, but was slightly firmer against sterling and the Swis franc. The dollar was fixed unchanged at L1,620, while the pound fell to L2,408.60 from L2,411.40, and the Swiss franc to L746.78 from L747.75. The D-mark showed renewed strength after a one-day pause, rising to a record L622.64 from L621.78 and the Dutch guilder was fixed at a best ever L551.55 compared with L550.60. The French franc rose to L202.04 from L201.91. The Bank of Italy did not intervene against the D-mark at the fixing, but sold $15.75, of the $20m traded officially.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.8543	+2.13	+1.88	±1.5447
Danish Krone ...	8.14104	8.22308	+1.01	+0.76	±1.6425
German D-Mark	2.24184	2.24051	−0.06	−0.31	±1.0842
French Franc ...	6.87456	6.90240	+0.40	+0.15	±1.4052
Dutch Guilder ...	2.52595	2.52922	+0.13	−0.12	±1.4964
Irish Punt	0.72569	0.729100	+0.47	+0.22	±1.6699
Italian Lira	1403.49	1393.50	−0.71	−0.71	±4.1506

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York latest

	March 1	Prev. close
Spot	$1.4780-4790	$1.4860-4870
1 month	0.09-0.12 dis	0.09-0.11 dis
3 months	0.39-0.43 dis	0.41-0.45 dis
12 months	2.05-2.15 dis	2.07-2.14 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

March 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4740-1.4885	1.4770-1.4780	0.07-0.12c dis	−0.77	0.40-0.45dis	−1.15
Canada	1.8470-1.8630	1.8485-1.8495	0.08-0.18c dis	−0.84	0.33-0.43dis	−0.82
Nethlnd.	4.34-4.39	4.34 1/2-4.35 1/2	1 7/8-1 1/2c pm	3.10	3 1/2-3 pm	2.89
Belgium	78.80-79.60	78.90-79.00	22-32c dis	−4.10	75-85 dis	−4.05
Denmark	14.11-14.25	14.13-14.14	1 1/2-2 1/2ore dis	−1.64	6 1/2-7 1/2 dis	−2.02
Ireland	1.2536-1.2636	1.2545-1.2555	0.25-0.36p dis	−2.92	0.96-1.13dis	−3.38
W. Ger.	3.84 1/2-3.88 1/2	3.85 1/2-3.86 1/2	1 1/4-1 pf pm	3.50	3 1/4-2 3/4 pm	3.24
Portugal	192.75-195.25	193.50-194.00	285-870c dis	−25.86	715-1360dis	−21.73
Spain	221.00-223.00	221.30-221.50	155-180c dis	−9.08	500-540 dis	−9.39
Italy	2,396-2,418	2,397-2,399	15-17 lire dis	−8.01	51-53 dis	−8.67
Norway	11.09-11.19	11.10 1/2-11.11 1/2	3 1/2-4ore dis	−3.92	10 1/2-11 1/2dis	−3.96
France	11.85-11.96	11.86 1/2-11.87 1/2	5 1/2-6 1/2c dis	−6.06	21-23 dis	−7.41
Sweden	11.49-11.59	11.50-11.51	1 1/4-1 3/4ore dis	−1.69	4 1/2-5 1/2 dis	−1.85
Japan	344-347	344 1/2-345 1/2	0.78-0.70y pm	2.57	2.30-2.20 pm	2.61
Austria	27.12-27.37	27.15-27.20	9-8 1/2gro pm	3.77	23 1/2-18 1/2 pm	2.97
Switz.	3.20 1/2-3.24	3.21-3.22	1 7/8-1 3/4c pm	6.05	4 1/2-4 pm	5.29

Belgian rate is for convertible francs. Financial franc 81.15-81.25. Six-month forward dollar 0.95-1.00c dis, 12-month 2.20-2.30c dis.

THE DOLLAR SPOT AND FORWARD

March 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4740-1.4885	1.4770-1.4780	0.07-0.12c dis	−0.77	0.40-0.45dis	−1.15
Ireland†	1.1755-1.1812	1.1770-1.1780	0.27-0.19c pm	2.34	0.75-0.60 pm	2.29
Canada	1.2492-1.2520	1.2515-1.2520	0.03c pm-0.02 dis	0.05	0.08-0.03 pm	0.18
Nethlnd.	2.9380-2.9515	2.9430-2.9450	1.02-0.92c pm	3.95	3.03-2.93 pm	4.04
Belgium	53.30-53.45	53.42-53.44	15-17c dis	−3.60	40-44 dis	−3.15
Denmark	9.5475-9.5725	9.5675-9.5725	0.15ore pm-0.35d	−0.13	0.75-0.25 pm	0.21
W. Ger.	2.6000-2.6160	2.6085-2.6095	0.95-0.90pf pm	4.28	2.84-2.79 pm	4.32
Portugal	130.60-131.50	131.00-131.50	175-375c dis	−25.14	450-900dis	−20.57
Spain	149.60-149.85	149.75-149.85	100-120c dis	−8.81	305-340 dis	−8.61
Italy	1,619 1/4-1,624	1,623-1,624	10-10 1/2 lire dis	−7.68	31 1/2-32 dis	−7.81
Norway	7.5150-7.5200	7.5150-7.5200	1.80-2.30ore dis	−3.44	5.20-5.70dis	−2.90
France	8.0100-8.0600	8.0350-8.0400	3.70-4.20c dis	−5.90	13 1/2-15 dis	−7.09
Sweden	7.7700-7.7950	7.7850-7.7900	0.35-0.85ore dis	−0.92	0.85-1.35dis	−0.56
Japan	233.0-233.6	233.35-233.45	0.67-0.63y pm	3.37	2.18-2.13 pm	3.70
Austria	18.35-18.42	18.39-18.41	6.10-5.50gro pm	3.78	18.5-16.5 pm	3.80
Switz.	2.1665-2.1790	2.1745-2.1755	1.25-1.20c pm	6.77	3.50-3.45 pm	6.42

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.90-55.00.

OTHER CURRENCIES

Mar. 1	£	$		£ Note Rates
Argentina Peso...	42.97-43.06	29.05-29.08	Austria	27.15-27.45
Australia Dollar	1.5615-1.5635	1.0565-1.0590	Belgium	81.80-82.60
Brazil Cruzeiro...	1,739.55-1,749.85	1,176-1,182	Denmark	14.14-14.28
Finland Markka...	8.3055-8.3350	5.6350-5.6400	France	11.87-11.99
Greek Drachma	150.00-150.40	100.75-101.15	Germany	3.85 1/4-3.89 1/4
Hong Kong Dollar	11.51 1/4-11.52 1/2	7.7780-7.7800	Italy	2390-2420
Iran Rial	129.40*	86.90*	Japan	346-351
Kuwait Dinar (KD)	0.4318-0.4355	0.2934-0.2935	Netherlands	4.35-4.39
Luxembourg Fr.	78.90-79.00	53.42-53.44	Norway	11.11-11.22
Malaysia Dollar	3.4610-3.4670	2.3310-2.3350	Portugal	191-203
New Zealand Dlr.	2.2150-2.2180	1.5010-1.5030	Spain	218 1/4-229
Saudi Arab. Riyal	5.1880-5.1945	3.5040-3.5050	Sweden	11.50-11.61
Singapore Dollar	3.1380-3.1460	2.1200-2.1220	Switzerland	3.21-3.24
Sth African Rand	1.7775-1.7865	1.2046-1.2065	United States	1.47 3/4-1.49 3/4
U.A.E. Dirham	5.4360-5.4485	3.6720-3.6730	Yugoslavia	201-209

* Selling rates.

CURRENCY MOVEMENTS

Mar. 1	Bank of England Index	Morgan Guaranty Changes%
Sterling	82.9	−8.4
U.S. dollar	127.0	+16.9
Canadian dollar	90.7	−0.5
Austrian schilling	117.7	+4.4
Belgian franc	90.7	−11.2
Danish kroner	79.5	−6.7
Deutsche mark	128.0	+8.9
Swiss franc	148.8	+10.8
Guilder	116.4	+4.9
French franc	67.3	−14.7
Lira	48.8	−16.0
Yen	153.3	+10.8

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

March 1	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.713095	0.578935
U.S. $	8 1/2	1.06023	0.859256
Canadian$	10.04	*	1.07407
Austria Sch.	3 3/4	19.4732	15.7673
Belgian Fr	11	56.5341	45.8563
Danish Kr	7	10.1505	8.22308
D'mark	4	2.76987	2.24051
Guilder	5	3.11656	2.52922
French Fr.	9 1/2	8.50676	6.90240
Lira	16	N/A	1393.50
Yen	5	247.458	200.584
Norwgn Kr	8	7.95862	6.45516
Spanish Pta.	—	158.716	128.674
Swedish Kr.	8 1/2	8.23905	6.68930
Swiss Fr	4	2.30070	1.86587
Greek Dr'ch	20 1/2	107.073	86.7604

* C$/SDR rate for Feb 29: 1.32728.

EXCHANGE CROSS RATES

Mar. 1	Pound Sterling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.478	3.858	345.0	11.87	3.215	4.353	2398.	1.849	78.95
U.S. Dollar	0.677	1.	2.609	233.4	8.038	2.175	2.944	1624.	1.252	53.43
Deutschemark	0.259	0.383	1.	89.44	3.077	0.833	1.128	621.6	0.479	20.47
Japanese Yen 1,000	2.899	4.283	11.18	1000.	34.41	9.319	12.62	6951.	5.359	228.8
French Franc 10	0.842	1.245	3.250	290.6	10.	2.709	3.667	2020.	1.558	66.51
Swiss Franc	0.311	0.460	1.200	107.3	3.692	1.	1.354	745.9	0.575	24.55
Dutch Guilder	0.230	0.339	0.886	79.26	2.727	0.739	1.	550.9	0.425	18.14
Italian Lira 1,000	0.417	0.616	1.609	143.9	4.950	1.341	1.815	1000	0.771	32.92
Canadian Dollar	0.541	0.799	2.086	186.6	6.420	1.739	2.354	1297.	1.	42.70
Belgian Franc 100	1.267	1.871	4.886	437.0	15.03	4.072	5.515	3037.	2.342	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar. 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9 1/8-9 1/4	9 1/2-9 5/8	9 1/4-9 3/4	6 1/8-6 3/8	1 1/2-1 3/4	6 1/8-6 3/8	12-12 1/4	15 3/4-16 3/4	10-10 1/2	9 1/2-10	6 1/8-6 3/8	10-10 1/2
7 days' notice	9 1/8-9 1/4	9 9/16-9 11/16	9 3/8-9 7/8	6-6 1/8	2 1/4-2 1/2	5 13/16-5 15/16	12 1/8-12 3/4	16 1/4-17 1/4	11 1/4-12 1/4	11-11 1/4	6 7/16-6 11/16	10 5/8-11 1/8
Month	9 1/8-9 1/4	9 15/16-10 1/16	9 5/8-9 7/8	6-6 1/8	3 3/8-3 1/2	5 5/8-5 3/4	15 1/8-15 5/8	16 7/8-17 3/8	12 3/4-13 1/4	12 1/4-12 1/2	6 5/8-6 3/4	10 3/4-11 1/4
Three months	9 1/8-9 1/4	10 1/16-10 3/16	9 7/8-10 1/8	6-6 1/8	3 7/16-3 11/16	5 3/4-5 7/8	16 3/8-16 5/8	17 5/8-17 7/8	12 7/8-13 3/8	12 1/8-12 3/8	6 1/16-6 5/16	11-11 1/2
Six months	9 1/4-9 3/8	10 3/8-10 1/2	10 1/8-10 3/8	6 1/8-6 1/4	3 7/8-4	5 7/8-6	16 1/8-16 3/8	17 1/2-18	12 3/4-13 1/4	12 1/8-12 3/8	6 1/16-6 5/16	11-11 1/2
One year	9 1/2-9 5/8	10 3/4-11	10 3/8-10 5/8	6 3/16-6 7/16	4 1/8-4 1/4	6 3/8-6 5/8	16 1/8-16 5/8	18 1/4-18 3/4	12 3/8-12 7/8	12-12 1/4	6 1/16-6 5/16	11 3/8-11 7/8

Asian $ (closing rates in Singapore). Short-term 9 5/8-9 3/4 per cent; seven days 9 11/16-9 13/16 per cent; one month 9 7/8-10 per cent; three months 10 1/8-10 1/4 per cent; six months 10 3/8-10 1/2 per cent; one year 10 5/8-10 3/4 per cent. Long-term Eurodollars two years 11 3/16-11 7/16 per cent; three years 11 7/8-12 1/8 per cent; four years 12 1/4-12 1/2 per cent; five years 12 1/4-12 1/2 per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

MONEY MARKETS

London rates steady

UK interest rates showed very little overall change yesterday. Some longer-term rates were slightly easier on improved demand however. At the shorter end overnight interbank money opened at 9 1/4-9 3/8 per cent and touched a high of 9 1/2 per cent before slipping to 4 per cent. Late balances were taken nearer 8 per cent. Three-month interbank money was quoted at 9 3/16-9 5/16 per cent compared with 9 7/32-9 11/32 per cent while three-month eligible bank bills were bid at 8 7/8 per cent, unchanged from Wednesday.

> UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

The Bank of England forecast a shortage of around £800m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £252m and Exchequer transactions a further £615m. There was also a rise in the note circulation of £20m. On the other hand banks brought forward balances £90m above target.

In view of the size of the shortage, the Bank invited an early round of tenders. This resulted in assistance of £344m, comprising purchases of £36m of eligible bank bills in band 1 (up to 14 days) at 9 1/16 per cent and in band 2 (15-33 days) £79m at 9 per cent. In band 3 (34-63 days) it bought £16m of eligible bank bills at 8 15/16 per cent and in band 4 (64-91 days) £2m of Treasury bills and £13m of eligible bank bills all at 8 7/8 per cent. The Bank also arranged sale and repurchase agreements on £207m of bills at 9 per cent, for resale on March 28.

The forecast was later revised to a shortage of £850m before taking into account the early help and the Bank gave further assistance in the morning of £453m, comprising purchases of £9m of eligible bank bills in band 2 at 9 per cent. It also arranged further sale and repurchase agreements on £444m of bills at 9 1/16-9 1/8 per cent. These are due for repurchase by the market in split amounts. £128m of bills are due on March 5, £128m on March 6 and £188m on March 7. The forecast was then revised back to £800m and the Bank gave assistance in the afternoon comprising purchases of £14m of eligible bank bills in band 1 at 9 1/16 per cent and £10m in band 2 at 9 per cent.

MONEY RATES

Mar. 1	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.5-5.6	12 1/8	1 1/2-2 1/2	6-6 1/4	6.59375	16 3/4-17 1/8	5 1/8	11 3/4-12
One month	5.65-5.80	12 3/8-12 1/2	5 7/16-5 11/16	6-6 1/8	6.53125	16 3/4-17 1/8	12 3/8-12 5/8	12 1/8-12 3/8
Two months	5.75-5.90	12 7/16-12 9/16	—	—	—	—	—	12 3/8-12 5/8
Three months	5.80-5.95	12 7/16-12 11/16	5 3/8-5 3/4	6 1/16-6 3/16	6.28125	17-17 1/2	12 3/4-12 7/8	12 1/2-12 3/4
Six months	5.90-6.05	12 7/16-12 11/16	—	6 1/8-6 1/4	—	[illegible]	[illegible]	[illegible]
Lombard	5.5	—	—	—	—	[illegible]	[illegible]	[illegible]
Intervention	—	12	—	5 7/8	—	[illegible]	[illegible]	[illegible]

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Mar. 1 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	4-9 1/2	9-9 1/4	9 1/4-9 1/2	7-9 1/4	—	—	[illegible]	[illegible]	[illegible]
2 days notice	—	—	9 1/8-9 1/4	—	—	—	—	[illegible]	[illegible]	[illegible]
7 days or	—	—	—	—	—	—	—	[illegible]	[illegible]	[illegible]
7 day notice	—	9 1/8-9 1/4	9 1/4	9 1/4-9 3/8	9-9 1/4	—	—	[illegible]	[illegible]	[illegible]
One month	9 1/32-9 1/16	9 1/8-9 1/4	9 1/8	9 1/8-9 1/2	9-9 1/8	9	[illegible]	[illegible]	[illegible]	[illegible]
Two months	9 1/16-9 1/8	9 1/16-9 1/4	9 1/8	9 1/2	9-9 1/16	8 15/16	[illegible]	[illegible]	[illegible]	[illegible]
Three months	9 1/32-9 3/16	9 3/16-9 5/16	9 1/8	9 1/2	9-9 1/16	8 7/8	[illegible]	[illegible]	[illegible]	[illegible]
Six months	9 1/8-9 1/4	9 1/4-9 3/8	9 1/4	—	—	—	—	[illegible]	[illegible]	[illegible]
Nine months	9 3/8-9 1/2	9 7/16-9 9/16	9 5/16	—	—	—	—	[illegible]	[illegible]	[illegible]
One year	9 5/8-9 3/4	9 5/8-9 3/4	9 5/8	—	—	—	—	[illegible]	[illegible]	[illegible]

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9 5/8-9 3/8	—	9 1/8	9.7-9.8	9 1/16-9 3/16	9 13/16-10 1/8
Two months	9 5/8-9 3/8	—	9 1/4	9.8-9.9	9 1/8-9 7/16	9 15/16-10 1/8
Three months	9 5/8-9 3/8	—	9 1/4	9.9-10.0	9 1/4-9 1/2	9 15/16-10 1/8
Six months	9 1/4-9 1/4	—	9 3/8	10.15-10.25	9 5/8-9 5/8	9 13/16-10 1/8
Nine months	9 3/4-9 1/2	—	9 5/8	10.35-10.45	—	—
One year	9 3/4-9 1/2	—	9 1/2	10.5-10.6	9 5/8-9 7/8	10 1/8-10 3/8
Two years	—	10 1/4	—	—	—	—
Three years	—	10 3/8	—	—	—	—
Four years	—	10 5/8	—	—	—	—
Five years	—	10 3/4	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 4 to February 7, 1984 (inclusive): 9.493 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9 1/2 per cent from March 1, 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rate for sums at seven days' notice 5 3/4 per cent. Treasury Bills: Average tender rates of discount 8.8472 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9 3/4 per cent; one-three months 9 3/4 per cent; three-six months 9 3/4 per cent; six-12 months 10 per cent. Under £100,000 9 1/2 per cent from February 28. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 7 1/2 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	[illegible]
Fed funds	[illegible]
Fed funds at intervention	[illegible]

Treasury Bills

One month	[illegible]
Two month	[illegible]
Three month	[illegible]
Six month	[illegible]
One year	[illegible]

Treasury Bonds

Two year	[illegible]
Three year	[illegible]
Four year	[illegible]
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. March 1)

3 months U.S. dollars	
bid 10 1/4	offer 10 1/4

6 months U.S. dollars	
bid 10 1/4	offer 10 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Record volume

Total volume was at a record level and sterling denominated interest rate contracts were very firm on the London International Financial Futures Exchange. Traders reported good demand for the June long-term gilt as the March contract moved near to delivery, and at one time the price of June gilts was slightly higher than March, which was seen as a most unusual occurrence and one unlikely to be repeated, but was the result of the cheapest deliverable stock being different for the two months. Prices for both periods were very close however, with March and June delivery opening at 108-22 and closing at 109-04 compared with previous settlement figures of 108-25 for March and 108-19 for June. Prices broke through technical resistance levels and may have moved to even higher levels, but were restrained by the value of the tap stock in the cash market, and eased back towards the close as sterling retreated on the foreign exchanges, and U.S. bonds opened weak.

Building societies were reported to be short of stock after their recent heavy selling because of changes in tax liabilities relating to their gilt trading. Bidding from the societies pushed up prices in cash and futures markets.

Short sterling deposits were also firm, encouraged by the recent good performance of the pound and an easing of London money market interest rates. The June contract opened at 90.83, near the day's low of 90.82, but then advanced steadily to close at a peak of 90.94, compared with 90.85 on Wednesday.

Eurodollar futures opened weak and drifted lower, before recovering to around the opening level on profit taking. June delivery opened and closed at 89.43, compared with the previous settlement of 89.48, and touched a low of 89.39.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	89.94	89.96	89.91	89.97
June	89.43	89.44	89.39	89.48
Sept	89.07	89.08	89.05	89.09
Dec	88.77	88.78	88.76	88.79
March	88.53	—	—	88.55

Volume 4,857 (4,391)
Previous day's open int 12,266 (12,769)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	91.06	91.06	91.01	91.04
June	90.94	90.94	90.82	90.85
Sept	90.74	90.75	90.65	90.67
Dec	90.56	90.58	90.47	90.48
March†	90.35	90.38	90.30	90.32

Volume 1,306 (805)
Previous day's open int 6,229 (6,280)
† £500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	109-04	109-10	108-22	108-25
June	109-04	109-07	108-22	108-19
Sept	108-20	108-23	108-08	108-04
Dec	108-04	—	—	107-21
March	107-21	—	—	107-06

Volume 5,467 (2,376)
Previous day's open int 4,326 (4,245)
Basis quote (clean cash price of 13 1/4% Treasury 2003 less equivalent price of near futures contract) 20 to 30 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4765	1.4875	1.4765	1.4905
June	1.4812	1.4910	1.4812	1.4950
Sept	1.4860	—	—	1.5003

Volume 255 (446)
Previous day's open int 2,254 (2,240)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3834	0.3846	0.3834	0.3861
June	0.3877	0.3889	0.3889	0.3902
Sept	0.3917	—	—	0.3942

Volume 162 (114)
Previous day's open int 404 (406)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4605	0.4614	0.4605	0.4626
June	0.4679	0.4694	0.4679	0.4702
Sept	—	—	—	—

Volume 8 (8)
Previous day's open int 187 (197)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4297	0.4287	0.4287	0.4291
June	0.4326	0.4328	0.4326	0.4331
Sept	—	—	—	—

Volume 42 (16)
Previous day's open int 224 (227)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	68-16	68-21	68-12	68-27
June	67-27	68-01	67-23	68-07
Sept	67-10	67-18	67-07	67-23
Dec	66-28	67-02	66-28	67-08
March	66-15	66-20	66-13	66-26
June	66-03	66-06	66-01	66-14
Sept	65-24	65-28	65-22	66-02
Dec	65-14	65-18	65-14	65-23

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.76	90.78	90.74	90.81
June	90.33	90.35	90.31	90.38
Sept	90.01	90.02	89.99	90.05
Dec	89.75	89.76	89.74	89.78
March	89.52	89.53	89.50	89.54
June	89.30	89.30	89.30	89.33
Sept	89.11	89.11	89.11	89.13
Dec	88.95	88.95	88.95	88.95

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.15	90.15	90.12	90.19
June	89.58	89.59	89.55	89.63
Sept	89.17	89.18	89.12	89.22

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	89.65	89.66	89.63	89.71
June	89.12	89.14	89.10	89.19
Sept	88.76	88.77	88.74	88.81
Dec	88.46	88.47	88.45	88.50
March	88.18	88.18	88.16	88.21
June	87.91	87.92	87.92	87.93

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.4785	1.4870	1.4750	1.4885
June	1.4835	1.4920	1.4800	1.4935
Sept	1.4860	1.4920	1.4856	1.4960
Dec	1.4920	1.4970	1.4910	1.5030
March	1.5000	1.5040	1.5000	1.5085

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-13	69-13	68-30	69-06
June	68-12	68-13	67-30	68-08
Sept	67-19	67-19	67-07	67-16
Dec	66-27	66-27	66-16	66-25
March	—	—	—	—
June	—	—	—	65-20
Sept	—	—	—	65-06
Dec	—	—	—	64-26

LEGAL NOTICES

IN THE MATTER OF
CAVALCADE HANRI LIMITED
t/a ROSALINDE
AND IN THE MATTER OF
THE COMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 30th day of April, 1984, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Patrick Walter John Hartigan, of Booth White & Co., 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.
DATED this 14th day of February, 1984.
P. W. J. HARTIGAN F.C.C.A.
Liquidator

IN THE MATTER OF
THE COMPANIES ACT 1948 TO 1981
AND IN THE MATTER OF
HILLTON SECURITIES LTD.
Registered Office:
218 Strand, London WC2R 1DG

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at 218 Strand, London WC2R 1DG on 15th March 1984 at 11.30 a.m. for the purpose mentioned in Section 294 et seq of the said Act.
Dated this 23rd day of February 1984.
By Order of the Board,
L. F. BULLARD,
Director.

CONTRACTS AND TENDERS

EPPING FOREST DISTRICT COUNCIL

DIGITAL TELEPHONE EXCHANGE

Applications are invited from companies specialising in digital telephone systems equipment, wishing to be considered for inclusion on a Select List to tender for the supply and installation, together with the subsequent maintenance, of a new digital telephone system for the Council's offices.
The Council's offices are situated at present at five dispersed locations, although centralisation of all offices is planned. The system will need to cater for both present requirements and be capable of adaptation should centralisation of offices occur.
Written applications, together with details of installations of a similar nature recently completed, should be addressed to the District Secretary, Council Offices, 323 High St, Epping, Essex, to arrive not later than Friday, 30 March 1984. It is anticipated that tender documents will be issued to the companies selected by 16 April 1984.
The name and address of your Banker is required, together with at least two companies for whom you have carried out work.

MOTOR CARS

PERSONAL

WANTED—Right half of Shell £10.000 pound note. Share 50/50. Tel. after 7.000 p.m. 0443 225065.

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WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, February 29 1984. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of February 29 at 11.00 am
3 months: 10 3/16 6 months: 10 1/2

SDR1=U.S.$1.06035
Sibor as of February 29 at 11.00 am
3 months: 10 3/8 6 months: 10 1/2

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	5.7763
Algeria	Dinar	4.8264
Andorra	Fr. Franc	8.0215
	Sp. Peseta	149.55
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	New Peso (f)	28.665
Australia	Dollar	1.0601
Austria	Schilling	18.37
Azores	Port. Escudo	131.125
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is	Sp. Peseta	149.55
Bangladesh	Taka	23.75
Barbados	Dollar	2.0113
[illegible]	[illegible]	[illegible]

COUNTRY	CURRENCY	VALUE OF DOLLAR
Grenada	E. Caribbean $	[illegible]
Guadaloupe	Franc	[illegible]
Guam	U.S. $	[illegible]
Guatemala	Quetzal	[illegible]
Guinea Bissau	Peso (2)	[illegible]
Guinea Rep.	Syli	[illegible]
Guyana	Dollar (9)	[illegible]
Haiti	Gourde	[illegible]
Honduras Rep.	Lempira	[illegible]
Hong Kong	Dollar	[illegible]
Hungary	Forint (4)	[illegible]
Iceland	Krona	[illegible]
India	Rupee (3)	[illegible]
Indonesia	Rupiah	[illegible]
Iran	Rial (O)	[illegible]
[illegible]	[illegible]	[illegible]

COUNTRY	CURRENCY	VALUE OF DOLLAR
[illegible]	[illegible]	[illegible]

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Nepal: Devaluation of 3.5 per cent, January 11 1984. (2) Guinea-Bissau: Devaluation of 50 per cent, December 28 1983. (3) India: Rupees per US$ (between December 7, 1983 and February 15, 1984, rate quoted as $ per 100 Rupees). (4) Hungary: February 7, devalued by 2.31 per cent. (5) Venezuela: Three tier system has developed. This rate is for all essential imports. (6) Venezuela: Non essential imports rate. (7) Venezuela: Floating rate for tourists. (8) Brazil: Third adjustment this year, effective January 18. (9) Guyana: January 11, 20 per cent devaluation. (10) Gambia: February 25, 20 per cent devaluation against sterling.
For further information please contact your local branch of the Bank of America.

INTERNATIONAL CAPITAL MARKETS

Austrian bond will test reaction to tax

BY PATRICK BLOOM IN VIENNA

THE FIRST bond issue subject to Austria's new tax on interest is being launched today for the Austrian Republic by Finance Minister Herbert Salcher. It is seen in Vienna as a test issue following the introduction on January 1, 1984, of a 7.5 per cent tax on interest paid on bond and savings accounts.

The government will be waiting to see how the market reacts and how well the issue sells. Senior bankers expect the door to be left open for possible adjustment to interest rates should the bond fail to win wholehearted support.

The issue is for Sch 1bn ($64.7m) over eight years at a nominal 8 per cent interest although it will be sold with a 1.75 per cent discount thereby offering a yield of 8.31 per cent before tax. After deductions for the new tax the real yield will be 7.69 per cent. That is less than the nominal rate and for the first time in several years less than the rates of similar issues in neighbouring West Germany.

It is this which worries financial institutions in Vienna. "Why buy bonds at 7.7 per cent here, when you can get 8 per cent or more in West Germany," one analyst said.

The tax is imposed only on nominated Austrian bonds for Austrian investors. But as there are no currency restrictions some Austrians have been looking abroad for a better return on their money.

One bank reports a greater than usual demand for investments denominated in foreign currencies, although this is thought to be only a temporary reaction

The other worry for Herr Salcher must be that any increase in interest on bonds will lead to upward pressure on rates for savings accounts, which currently stand at 4.5 per cent.

D-MARK NEW ISSUES CALENDAR

Date	Borrower	Amount DM (m)	Lead Manager
Mar 1	Austria	200	Dresdner Bank
2	Finansieringsinstitutet* (Denmark)	30	Commerzbank
6	Finland	150	Dresdner Bank
9	Asian Devt. Bank	200	Deutsche Bank
15	Volkswagen Intl. Finance	200	Deutsche Bank
19	Inter American Devt. Bank	200	Deutsche Bank
20	Electricity Supply Commission of South Africa	150	Dresdner Bank
21	Denmark	300	WestLB
22	Credit Foncier	200	Deutsche Bank
26	African Devt. Bank	100	Deutsche Bank
April 3	New Zealand	250	Commerzbank
4	GMAC*	50	Deutsche Bank

* Private placement

Two FRN deals set to tempt

BY MARY ANN SIEGHART IN LONDON

TWO NEW floating rate note (FRN) deals yesterday carried the same attraction set to tempt investors back into a market already saturated with paper.

Coupons on FRNs are usually set and paid either twice or four times a year depending on whether they pay a spread over the six-month or the three-month London interbank offered rate (Libor).

On these two bonds, the coupon is paid at the same intervals, but it is set more frequently. That means that if rates rise in the short term, bondholders will benefit.

Thailand's $85m floater pays interest of ⅛ per cent over six-month Libor with the coupon set every three months. Manufacturers Hanover won the mandate for the deal after Thailand considered offers from about 30 banks. Co-lead managers are Dresdner (South East Asia), LTCB International and Mitsubishi Finance.

The bond has a 16-year life, but investors may redeem it at par after 10 and 13 years. Immediate fees are 0.75 per cent, giving an all-in compounded cost to the borrower of just 0.25 per cent over the 10 years to the first put option.

That was considered too small a spread by many in the market and several houses turned down the offer of co-management. The bonds were being offered at a 1.05 point discount yesterday, outside their total fees.

Danske Olie and Naturgas, the Danish state oil company, met a better reception with its $100m floater guaranteed by Denmark. The 15-year bond pays ⅛ per cent over three-month Libor with the coupon being re-set every month. It is priced at par. It is callable in 1985 at par and there is an investor put option in the 12th year. Immediate fees are 0.31 per cent and the lead managers, Goldman Sachs and Morgan Stanley, had a bid in the market yesterday of 99.80.

Morgan Stanley pointed out that in the past 10 years, three-month Libor has almost always yielded more than one-month Libor. Because the coupon is reset every month, investors can afford to borrow money at a monthly rate, while they receive interest at a three-monthly rate. Yesterday one-month Libor was 9¹⁵⁄₁₆, while the three-month rate was 10³⁄₁₆.

Tokyo Electric's $70m bond-with-warrants deal, which met resistance when it was launched, has had its coupon increased from 6 to 6½ per cent by lead manager Daiwa Europe.

Ireland is raising Y15bn in the Samurai market through a 10-year bond paying 7.6 per cent at a price of 99.70. Daiwa Securities is lead manager.

Seasoned dollar, D-Mark and Swiss franc bonds all closed unchanged in quiet trading.

Ecu 100m for Spain's telecom agency

By Our Euromarkets Correspondent

SPAIN'S telecommunications agency, Cia Telefonica Nacional, has followed up the growing fashion for credits denominated in European currency units (Ecus), the currency basket of the EEC, with the launch of an Ecu 100m credit that can be converted into fixed rate bonds.

Led by Banque Indosuez, the 10-year credit will bear a margin of ½ per cent over Ecu deposit rates with repayments beginning after a grace period of 6½ years. In the first five years it can be converted into fixed rate Ecu bonds at the option of the borrower.

BHF Bank bond average

March 1 99.683		Previous 99.586
High 102.017	1983-84	Low 97.699

Its launch follows the highly successful Ecu 450m credit for Italy's state energy conglomerate Ente Nazionale Idrocarburi. The response to that credit which started out at only Ecu 250m revealed a hidden depth to the market in Ecu denominated deals.

This has clearly aroused the interest of borrowers in other countries anxious to diversify away from the U.S. dollar. French borrowers are also understood to be keen on raising Ecu denominated funds.

A year ago one such borrower, Credit National, also raised an Ecu credit convertible into bonds. Under the system adopted for Telefonica, the borrower can choose to launch one or more series of bonds to replace the credit when it considers market conditions to be favourable.

Banks which do not wish to hold the bonds will have the opportunity to drop out of the operation, though precise details remain to be worked out.

Malaysian credit terms show strength of Far East market

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

MALAYSIA'S highway authority has selected a group of banks led by Malayan Banking to lead a $150m loan on terms that confirm the buoyancy of the syndicated credit market in the Far East.

The 10-year loan is divided into two tranches, the first of which, amounting to $100m, will bear a margin of ⅜ per cent for the first two years rising to ½ per cent over Eurodollar rates for the remaining eight. Repayments begin after a grace period of five years.

The other $50m tranche will carry an even lower margin of ¼ per cent as it will be assembled on a special "tax-spared" basis.

Tax sparing is a special arrangement allowing British banks to claim a tax credit in the UK against Malaysian withholding tax even though the loan is exempted from the tax by the revenue authorities in Kuala Lumpur.

The other lead managers are Chase Manhattan Asia, National Westminster, Saudi International and Tokai Bank.

Launch of the loan follows hard on the heels of the highly successful loan for Indonesia which has been increased to $750m from an original target of $500m.

Lloyds Bank International, one of the lead managers, said yesterday the Indonesian credit had raised no less than $354m in syndication. Even after the increase, lead managers will only have to take up $15m of their $22.2m underwriting commitments.

The final amount is divided into two tranches with 80 per cent carrying interest at ⅜ per cent over Libor and the remaining 20 per cent a margin of 0.2 per cent over U.S. prime. The loan matures in eight years

Kieran Cooke adds from Jakarta: Indonesia has still not fully drawn down on loans of $1.65bn made last year, plus a yen loan of Y25bn, and with foreign exchange holdings at present of about $5bn, it is unlikely that the present loan will be drawn down for some time.

WEEKLY U.S. BOND YIELDS (%)

	Feb 29	Feb 22	1983-1984 High	1983-1984 Low
Composite Corp. AA	12.65	12.29	12.83	10.78
Government:				
Long-term	11.98	11.80	11.93	10.12
Intermediate	11.78	11.65	12.03	9.83
Short-term	11.08	10.93	11.26	8.21
Municipal	9.78	9.71	10.04	8.72
Industrials AAA	12.21	12.11	12.36	10.51
Industrials AA	12.39	12.22	12.62	10.72
Utilities AA	12.67	12.58	13.05	10.35
Preferred Stocks	11.19	11.07	11.47	10.58

Source: Standard & Poor's

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for March 1.

U.S. DOLLAR STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
E.I.B. 8¼ 92	15	103¾	103⅞	0	-0½	7.85
Int-Am Dev Bk 7⅞ 93	15	101¾	102¼	-0⅛	-0⅛	7.67
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS; FLOATING RATE NOTES; CONVERTIBLE BONDS; DEUTSCHE MARK STRAIGHTS; SWISS FRANC STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tohoku Ele Power 5¾ 92	100†	101	101½	+2¾	+2¾	5.55
Trizec Corp 6¼ 93	100†	100¾	101¼	+0⅛	+0⅞	5.98
World Bank 5¾ 94	200†	98¾	99¼	+0½	+0⅞	5.88

Av. price changes: on day +¼, on week -½

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	107¾	107⅞	0	-0¼	7.39

OVER THE COUNTER

Nasdaq Market

Stock	Sales (Hunds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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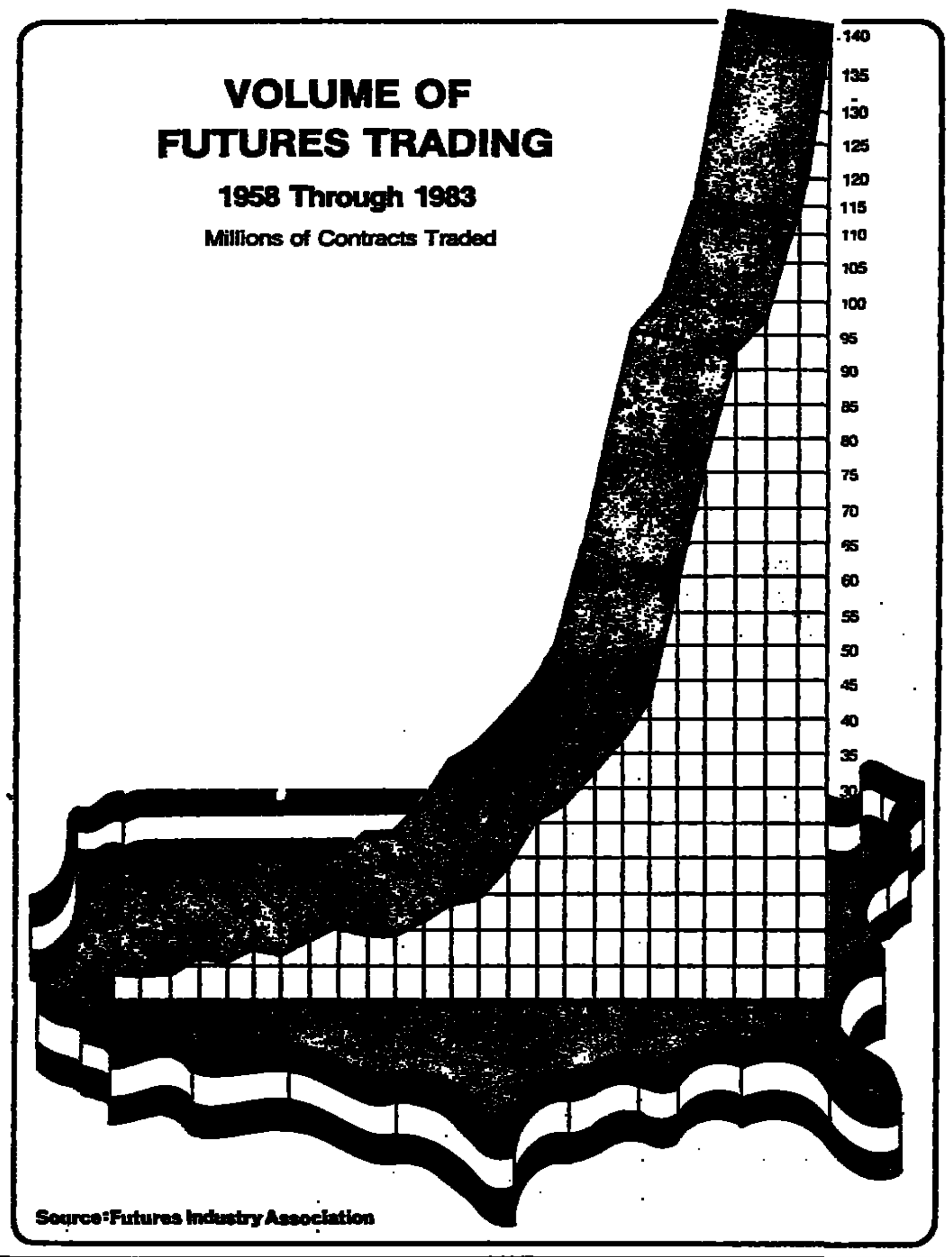
مكتبة الأصل

FINANCIAL TIMES SURVEY
Friday, March 2 1984

U.S. Futures

An ever-widening range of futures contracts and options lies behind the explosive growth of the industry. The big financial institutions are among those converted to the idea of using futures markets.



Market base broadened

AFTER 15 YEARS OF explosive growth, the U.S. futures industry is still confident of considerable further expansion. The successful introduction of index futures contracts is seen as a major breakthrough which could broaden the appeal of the markets, just as the launch of financial futures trading did over 10 years ago.

The outstanding success achieved by the Standard & Poors 500 Index, launched by the Chichago Mercantile Exchange in 1982, has opened up a new area of potential contracts. The Chicago Board of Trade has already announced its plans to introduce a Municipal Bond Index futures contract, and the Chicago Mercantile Exchange may also launch a rival contract.

By JOHN EDWARDS
Commodities Editor

But this is only the start. Ideas being floated around already are futures index contracts for car sales, housing starts, the consumer price index, property, insurance and freight, while the New York Futures Exchange is reported to be proposing a commodity futures price index.

Whether all these ideas will see the light of day remains to be seen. However, there is no doubt that the concept of indices, made possible by the use of cash settlement of contracts, has provided new opportunities for the expansion of the industry.

At the same time, the build-up of option contracts also promises to broaden the base of the markets considerably.

The three-year options trial programme, launched by the U.S. Commodity Futures Trading Commission at the end of 1982, is proving quite a success, despite some initial doubts. Turnover on the Chicago Board of Trade's Treasury Bond futures option contract jumped to over 1.5m last year, and the introduction of the Deutsche mark futures option contract on the Chicago Mercantile Exchange in January has proved an instant success.

The gold futures option on Comex (New York Commodity Exchange) has also made considerable progress, and so, too, has the NYSE composite index on the New York Futures Exchange. A further leap forward in option trading is expected later this year when option trading on domestic agricultural futures is allowed for the first time since the 1930s.

Special legislation in Congress was needed to permit the reintroduction of agricultural options, which were banned in the 1930s after a series of scandals. The ban was lifted in the Act reauthorising the CFTC and it is hoped that agricultural options trading will start in September or October.

Indices

The Exchanges claim that options make it possible for a whole new range of participants to trade in the markets, with limited risk and greater flexibility. Options are very much the "hot" item in the U.S. at present. Those being offered range from a computer and technology stock index to a hotel and gaming index. The point is that many users of the stock markets are familiar with options trading, and it is thought they may well be more attracted to futures options than to dealing in futures directly.

The main problem is in selling the somewhat complicated idea of futures options, especially through the commission houses, to traditional users of the markets. Nevertheless, the exchanges are confident this will happen and bring increased turnover.

Several studies have shown that the introduction of options increases, rather than diminishes, trading activity on the underlying futures contract. Grantors of options have to "cover" themselves on the futures market, while buyers of options often use them as an opportunity to trade against on the underlying contract.

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The introduction of indices and options on stock indices futures has, however, revived the clash between the Security and Exchanges Commission and the CFTC over regulation of the markets.

Potential conflict between these two government regulatory agencies was stilled by a special accord negotiated in 1982 between the two chairmen, which laid down their specific areas of interest. However, proposals by the Chicago exchanges to introduce a series of stock sub-index futures contracts renewed the conflict when the SEC vetoed the introduction of several contracts and threatened to sue the CFTC if it authorised trading.

As a result a new agreement (known as "son of accord") has been devised to cover the blurred areas, but this is now being challenged by the Chicago Board of Trade which is sueing both agencies.

Relationships between the industry and the CFTC appear to have improved considerably in recent years.

There are constant complaints of bureaucratic over-regulation, and disagreements with the CFTC at various times, but the futures exchanges are reasonably content. They recognise that if a growing number of participants, particularly from the financial and stock markets who are used to the SEC, are to be attracted to futures trading, there has to be strong regulation.

Portfolios

Indeed, instead of driving away business, as was feared in the past, stronger regulation is believed to be helping to attract investors who have previously fought shy of futures trading.

The traditionally staid life-insurance companies, for example, are now reported to be pressing to be allowed to use futures markets for hedging their stock portfolios or bond holdings. They are putting pressure on their local states to lift laws that at present prevent them from using futures.

Insurance companies are just one of the many financial institutions which have been converted to the idea of using the futures markets. Already the banks, brokerage houses, bond dealers, investment funds, as well as the more sophisticated corporations, are using the futures markets freely, and so are an increasing proportion of the general public.

However, there is a long way to go yet. It is estimated that some 300,000 to 500,000 participants at the most are at present involved in futures trading, while well over 20m people in the U.S. are known to deal in stocks and shares.

The futures exchanges believe that gap can be narrowed, and tremendous progress has been made in the past 15 years.

Exchange chief confident of continuing market growth

Lively times on the stock index front

NYFE

TERRY DODSWORTH

Mr Lewis Horowitz, president of the New York Futures Exchange: the real action has switched to stock futures

LEWIS HOROWITZ, president and chief executive of the New York Futures Exchange, is voluble, enthusiastic, and a born proselytiser who has found his theme—stock index futures and options.

"In the late 1970s, bonds were jumping all over the place, so bond futures came to the surface," he says. "Today, bond futures are a mature product and the real action has switched to the stock futures."

Since early this year, when the U.S. equity market fell out of bed, the New York Futures Exchange (NYFE) has faced its biggest challenge—and its greatest opportunity. Mr Horowitz says it has come through with flying colours. Volume has risen sharply, just as the apostles of index futures and options always said it should in a period like this, with investors trying to hedge against potential losses.

"The trend over the past six weeks has been the most exciting thing that has happened to the market," he said.

Bonds

Building on this surge on volume will be vital for the NYFE, which has now been trading its stock index contract since May, 1982. NYFE originally began on a different tack. Formed in 1979 by the New York Stock Exchange, which was worried that the burgeoning activity of the Chicago futures market was capturing some of its own rightful business, it began by trading futures on fixed interest securities and currencies.

These were in similar instruments—a 90-day Treasury Bill, a 20-year Treasury bond, and a variety of heavily traded currencies—to those which the Chicago pioneers had so successfully exploited. But in New York they failed to catch on to the extent that had been hoped.

"We are a born-again exchange," says Mr Horowitz, referring to the stock index contract. Stock index futures were more closely related than other futures contracts to the underlying business of the NYSE, and, in this particular area, its offspring was also much more quickly off the mark. By the time that the Commodity Futures Trading Commission, the regulatory authority for the industry, had approved index-based contracts, the NYFE was ready to launch its own product.

The Kansas City Board of Trade began trading the Value Line Composite Average Index in February 1982, the Chicago Mercantile Exchange introduced the Standard and Poor's 500 index in April, and, in May, NYFE launched its New York Stock Exchange Composite Index contract—an instrument thus based on the most comprehensive measure of the New York Stock Exchange's daily performance.

By the standards of other futures contracts, the different stock futures indices all appear to have taken off fast, partly perhaps because of the growing familiarity with futures and partly because their launch almost coincided with the bull market in equities. By the end of last year, stock index futures are reckoned to have accounted for about 25 per cent of all financial futures trading, and that proportion has almost certainly grown significantly since the equity market plunge began in mid-January.

The NYFE reckons it has captured around a quarter of that volume, the CME having an easy lead with about 66 per cent, and Kansas City making up the rest. Contract volume on NYFE has recently been running at around 17,000 a day, reflecting an underlying equity value of about $750m and suggesting that the three index futures exchanges combined are attracting dollar trading values of about the same amount daily as the NYSE itself.

This rapid growth does not mean that NYFE is yet profitable, however. Mr Horowitz says that by 1985 it expects to be breaking even, but last year it lost $2.2m on record revenues of $7.7m—again on the deficit of $2.9m on $4.9m of revenue in 1982. Mr Horowitz argues that the New York Exchange will inevitably take longer to mature than Chicago because of the different type of experience and outlook on Wall Street.

"Chicago has the spread chromosomes," he says. Chicagoans grew up in hedging and spreading, while New York operators grew up in the equity market and are used to one-sided speculation. We now have to learn the wonderful world of hedging, just as they would have to learn that it is difficult to hedge one stock with another stock."

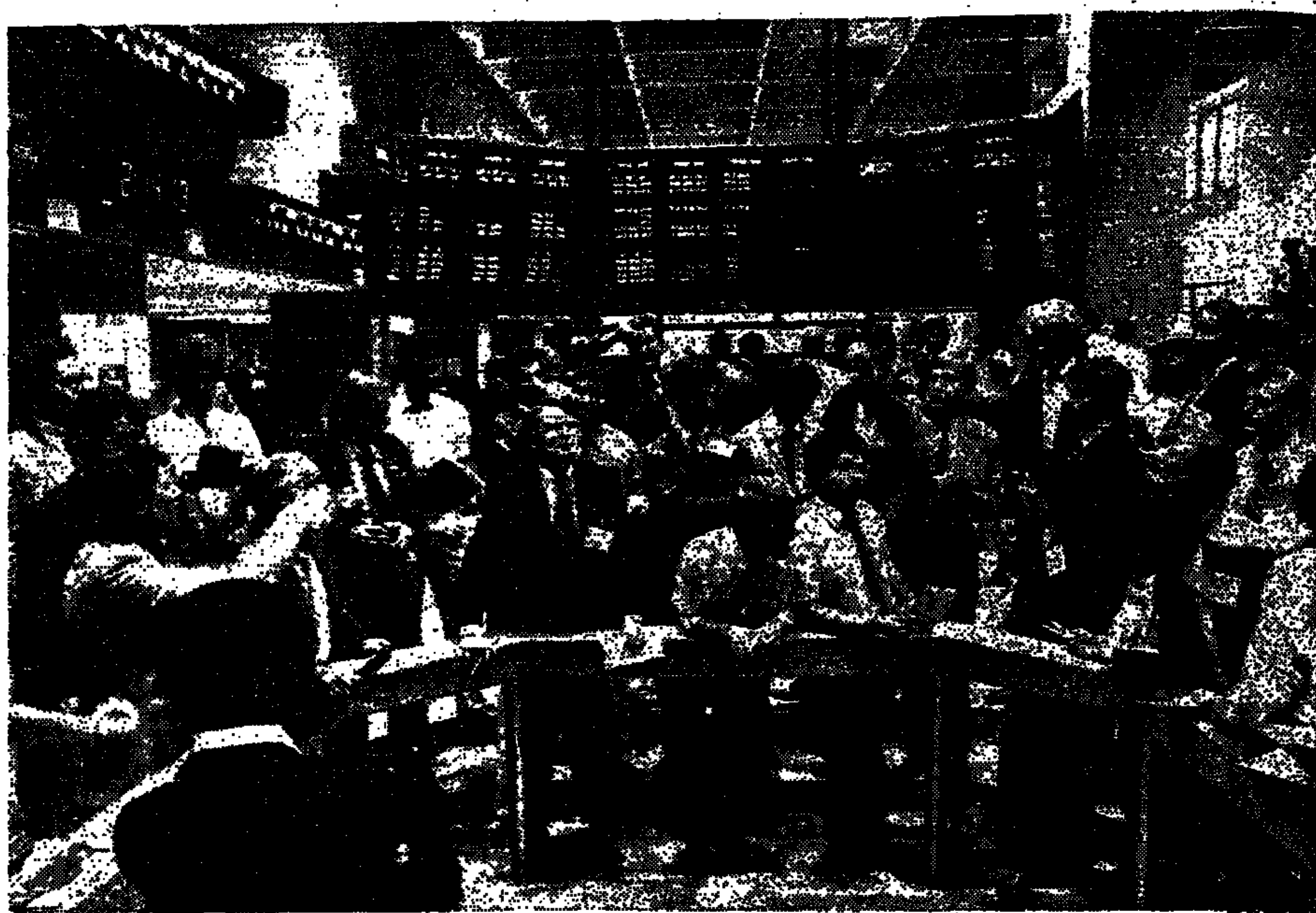
With its different background, the New York Futures Exchange also tends to be staffed by a different type of trader. NYFE has about 1,800 members, and is largely manned by dealers moving over from the NYSE proper. The out-of-work teachers, academics and rich people who have provided the folklore and the liquidity in the Chicago trading pits are not much in evidence in New York.

Yet Mr Horowitz claims that there is no problem with liquidity. NYFE can handle all the trades that are thrown at it and, just as important, he adds, process the order quickly within the range of one or two prices. Around 40 per cent of activity is now in hedging as opposed to speculation, he believes, and over the longer term he expects hedges to provide the underlying strength of the exchange. "The biggest fiduciary responsibility in the 1980s is the ability to handle, minimise or transfer risk, and those who do it better or more cost-efficiently will be the ones who get bigger," says Mr Horowitz.

Meanwhile, options have been added to futures in a bid to expand their appeal. About a year ago NYFE listed an option on its futures contract, but so far this, like the other options on futures, has grown slowly. Five months ago this contract was followed by a cash option on the composite index.

Mr Horowitz agrees that the introduction of new contracts ought now to be limited to allow the markets to absorb those already launched. NYFE itself is only planning one new contract at present — a futures instrument based on the Commodity Research Bureau Futures Price Index. It is intended to introduce this in the summer.

"I wanted something that was complementary to index futures, instead of just another equity product," says Mr Horowitz. "It fills the hills and valleys. Historically, when one area has been busy the other has not been so active."



Trading on the New York Futures Exchange

Clash between titans nears

Nymex

ADRIAN BINKS

Mr Michel Marks, chairman of the New York Mercantile Exchange: introducing energy futures contracts

THE New York Mercantile Exchange (Nymex), the largest petroleum futures market in the world is to face new competition from the Chicago Mercantile Exchange (CME). The Merc has just announced it plans to start trading in the energy futures contracts, for leaded gasoline and fuel oil, from March 26.

The Chicago Mercantile Exchange has a reputation for aggressive marketing of futures contracts. And although the New York Mercantile Exchange has established a strong reputation in energy futures, few observers will be placing bets on the outcome of a clash between the titans.

Over the past two years Nymex has successfully resisted competition from CBOT. In doing so it has seen its heating oil contract, which commenced trading in 1978, grow by 188 per cent. Similarly, its leaded regular gasoline (petrol) contract has grown by 391 per cent in its first two full years of trading. But Nymex's major success has been in the introduction of a crude oil contract in March 1983. In the nine months until the end of the year, over 323m barrels of crude oil were traded.

As with most futures contracts only a small proportion of this traded oil was actually delivered: slightly over 1 per cent.

Most of the trade is composed of paper transactions, involving the commitment to buy or sell a certain proportion of the commodity at a specified price on a given date.

Despite a higher initial volume in its crude oil contract, the Chicago Board of Trade has fallen far behind Nymex. Its crude oil contract, based on Light Louisiana Sweet and designated substitutable foreign crude oils, traded 226,000 barrels in January. Meanwhile, Nymex's West Texas Intermediate, and substitutable foreign crude oils, averaged over 5m barrels per day. This is equivalent to almost half the total daily requirement for crude oil in the U.S.

Withdrawn

CBOT has already withdrawn its heating oil and unleaded gasoline contracts after less than two years of trading. However, Mr Karsten Mahlnann, the head of CBOT's energy committee, claims that "the crude contract will be defended."

It must be doubtful whether the defence of such a poorly-supported, single-energy contract is possible. However, CBOT has petitioned the Commodities Futures Trading Commission (CFTC)—the regulatory body of the industry in the U.S.—to allow it to alter the delivery procedure of its crude contract. CBOT's case is that the current contract discriminates against purchasers of the foreign crudes which are allowed to be substituted for Light Louisiana Sweet. This is because the credit terms on foreign purchases are generally tighter than on domestic oil.

Commercial users of energy futures, who may actually call for physical delivery, require the flexibility of being able to take foreign crudes. Mahlnann argues that until the delivery procedure is amended, oil industry participation in the contract cannot be expected.

Most observers agree that it is the support of the oil industry which has enabled Nymex to dominate the energy futures market. An unusual feature of petroleum futures markets is the relatively high level of industry participation. Michel Marks, chairman of Nymex, estimates that about 75 per cent of involvement in the crude oil contract is currently commercial and the rest speculative trading. He believes the more mature heating oil and gasoline contracts have a 50 per cent split between commercial and speculative involvement. Marks says he is hoping to develop a for more normal 70 per cent speculative involvement when the contracts have matured.

Doubts

The participation of physical oil traders, refiners and independent oil companies, in Nymex, grew dramatically after the sharp oil price increases in 1979 and 1980. It was Nymex's good fortune that it had a heating oil contract available for use by the industry during a period of great price uncertainty. However, the big international oil companies—the seven sisters—are still doubtful of the benefits of energy futures trading. Although at least five of the major companies are believed to have traded petroleum futures on Nymex, most describe their activity as testing the market.

Exponents of energy futures markets claim that they provide a valuable hedging mechanism which will protect the oil industry from sharp price movements. Furthermore, they argue that the futures market price provides a readily available and open reference about the current consensus on future oil prices.

The major oil companies tend to regard their size as sufficient protection from sharp price fluctuations. And they refute the benefit of the futures market price transparency. Oil men argue that the consensus over future prices is largely invalid as a large proportion of the market consists of speculators who know little about the oil industry. They comment that futures markets are a case of the blind leading the short-sighted.

Michel Marks is well aware of these criticisms. He was forced to ask the advice of the oil industry in 1978 when he amended the heating oil contract and it is a policy that he has continued to follow. Marks comments: "I don't know much about oil; to make money is our function as a broker.

So I seek the advice of professionals in the industry."

A continuing dialogue between the oil industry and the exchange is the central feature of Nymex's development policy. Marks is aware that the process is likely to be slow: "This is a development that the market has to go through—to be educated both on the futures side about the oil industry and in the oil industry about the potential of futures trading."

The threat of the Chicago Mercantile's involvement in the energy futures market has made Nymex redouble its efforts to attract oil industry participation. A solid industry base, Marks believes, will generate the liquidity and attract the speculators that the exchange requires in order to expand.

One of the ways that Nymex hopes to attract oil industry involvement in the futures market is by utilising its range of energy contracts. It has attempted to link crude oil and products by allowing the simultaneous purchase and sale of multiple futures contracts. The trade is on the fluctuating value of the products which may be refined from a single barrel of crude oil. This trading manoeuvre is called the "crack spread." Marks hopes that this innovation will attract further involvement from refiners.

Marks claims that there is currently only room for one energy futures exchange in the U.S.. However, he believes that the potential for energy futures is tremendous. He estimates that in the next five years the volume of petroleum futures contracts being traded will increase tenfold. And that by 1990 the crude oil contract will have supplanted the treasury bond as the most heavily traded contract in the Union.

It is these potentially rich pickings which have attracted the attention of the Chicago Mercantile Exchange. And Chicago remains the biggest futures trading centre in the world, with the speculative muscle to push petroleum futures. If the Merc is astute in the design and promotion of its energy contracts, Nymex could face a hard fight to stay on top.

Deutsche Mark Options at the Chicago Mercantile Exchange

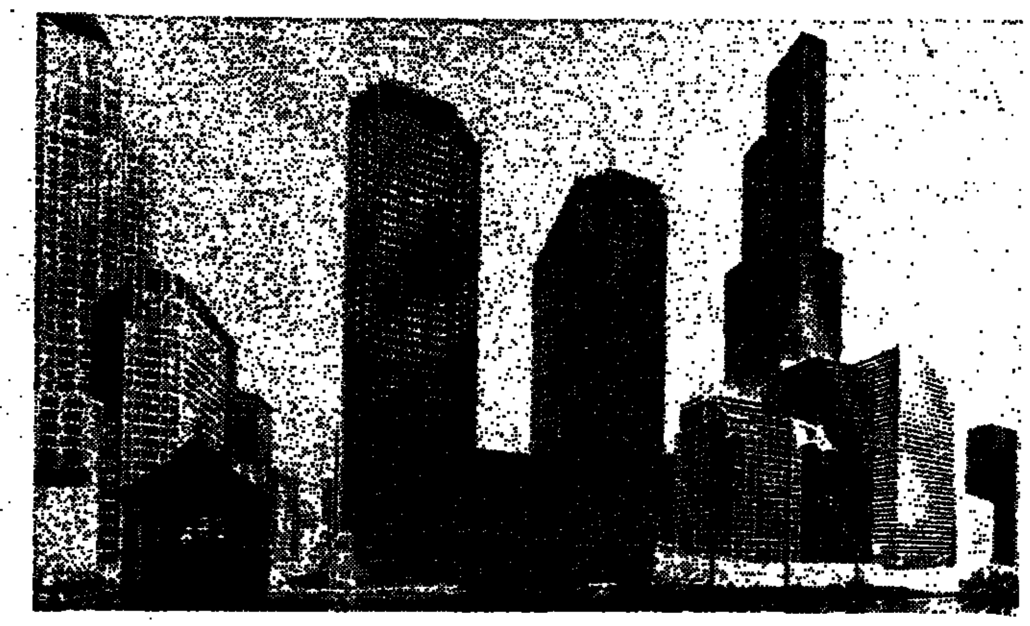
$57m investment in new buildings allows for expanding services

Record turnovers as new areas open up

Chicago

JOHN EDWARDS

THE Past year was an eventful one for the Chicago futures exchanges. There were record turnovers as the expansion of recent years accelerated and moved into new areas. In November, the Mercantile Exchange moved, with barely a hitch, into spacious new premises at 30 South Wacker Drive. It is a $57m investment to ensure that the Exchange has room to expand with the most up-to-date equipment and facilities. Its old premises at 444 West Jackson Boulevard have been taken over by the Mid-America Commodity Exchange that continues to live in the shadows of its big brothers but has some ideas of its own for the years ahead.



Impression of the Chicago Mercantile Exchange's new premises at 30 South Wacker Drive

Beneath the surface the changes have been more important than merely moving premises. Traditionally the Chicago futures markets were based on agricultural products. The Board of Trade has set world grain and soyabean prices for over 100 years and continues to do so. However, Chicago's place in futures trading has spread much further afield than agriculture. It is also the home of the world's biggest financial futures markets and this area is providing the biggest scope for further potential expansion.

Star performer

The Chicago Mercantile Exchange, which launched the first financial futures (for currencies) over 10 years ago, continues to set the pace. Turnover on the Exchange rose by 18.5 per cent to a total of over 38m contracts—the seventh consecutive annual record. The star performer was the S & P 500 index, where trading jumped by 176 per cent to 8.1m contracts. On a smaller scale, trading in 90-day Eurodollar futures rose from 323,691 to 891,066, and there were big increases in several of the currencies markets, notably the Yen and Swiss Franc. Trading in all the Exchange's currency contracts rose by 36.6 per cent to 8,690,285 overtaking the interest rate markets, which fell by 32 per cent to 8,478,794. The relative stability in short-term U.S. interest rates last year reduced activity in both the 90-T Bill and 3-month Certificate of Deposit contracts.

The Mercantile also suffered a setback in its traditional agricultural commodity markets. Trading fell in them all, although turnover in live cattle, the most important, was only 4.3 per cent down at 4,248,152 contracts. This downturn partly reflects the situation in the U.S. livestock industry last year. However, it also underlines the changing face of the Mercantile, with its original agricultural contracts moving into the background and being supplanted by the explosive growth in the financial contracts. Commodities now only account for about a quarter of the Exchange's total volume and are outstripped by index and option contracts, as well as by the longer established International Monetary Market (IMM) division.

To maintain this growth the Mercantile is aware that it has to widen its appeal to overseas users, instead of being confined to domestic markets as with its livestock contracts. The Exchange opened a London office many years ago, and is taking another step forward with the agreement in principle to link with the Singapore Gold Exchange when it is relaunched as the Singapore International Monetary Exchange (Simex) later this year.

Mr Leo Melamed, special counsellor to the Exchange, claimed that this move recognised the need to extend trading worldwide into different time zones, since the ability to deal 24 hours was becoming inevitable. The link is expected to boost trading activity on both exchanges. Following this up on a practical basis, the Exchange is seeking government approval to introduce a London delivery point for its gold futures contract.

If approved, it will be the first exchange to have a delivery point in London. The Mercantile hopes that interest will be activated in its gold futures contract, that has lost ground in recent years to the Comex contract in New York. Turnover on the Mercantile's gold contract slumped to 994,132 contracts last year, against 1.5m in 1982 and 2.5m in 1981. The link with Singapore, and London, may help boost turnover again.

Meanwhile the Mercantile has taken further steps towards attracting overseas business, with the introduction of its Deutsche mark options contract. Mr Melamed said even he was surprised by the instant success achieved when Deutsche mark options started trading in late January. He hopes the Exchange will be able to introduce options on all its other currency futures contracts once the restrictions imposed during the present trial programme are lifted at the end of 1985.

Mr Melamed claims the introduction of index contracts, with a cash settlement, has opened the doors for a further huge expansion in futures trading during the years ahead. The Mercantile is in discussions to formulate a Municipal Bonds contract, to rival the proposed contract already put forward by the Chicago Board of Trade. However, after the tremendous growth in recent years, the Mercantile needs a period of consolidation to develop the many new contracts introduced during the past few years.

Membership over the past 12 years has expanded from 500 to 3,000 to cope with the increased business, and the move to new premises has relieved the pressure on space leaving plenty of room for expansion. The Exchange is, therefore, geared up to move into new areas, possibly even energy futures, any time it wants to in the knowledge that it has the best marketing expertise of them all.

It lost ground in the battle against its arch-rival, the Chicago Board of Trade last year, because developments in agricultural and the interest rate markets, happened to be in the Board's favour. However, no one doubts that the Mercantile will be pressing even harder both domestically and internationally to make sure that it goes ahead.

1983 best-ever year

Meanwhile, the Chicago Board of Trade enjoyed its best ever year in 1983. The drought, and the payment-in-kind programme, in the U.S. brought its corn (maize) and soyabean contracts back to life with a vengeance after several years of depressed markets. At the same time its Treasury Bond futures contract went from strength to strength, accompanied by a surge in Bond options trading interest. The net result was a huge rise in total turnover to nearly 63m contracts, reversing the decline suffered in 1982 and increasing the Board of Trade's leading position with a 44.89 per cent share of total U.S. futures trading.

Board of Trade contracts accounted for the first three biggest markets — T-Bonds, soyabeans and corn. Activity on its 1,000 oz silver futures market also rose strongly from 775,136 in 1982 to over 2.6m contracts last year and it has great hopes that the 1 kilo gold contract introduced in 1983 will be a similar success when interest in gold revives again.

By its own admission the Board of Trade suffered what Mr Tom Cunningham, its chairman, described as a "black eye" when attempting to move into energy futures trading. It lost out badly to the much smaller New York Mercantile Exchange and was forced to abandon its gasoline and heating oil contracts. Another attempt is to be made relaunching crude oil, with a different delivery mechanism, but there is not too much enthusiasm.

The Board of Trade has also suffered a blow to its pride from failing to establish a stock index futures contract. Its dispute with Dow Jones ended in a court defeat, and a bid to link with the Kansas City value line contract also ended in failure.

However, the Board of Trade for once scored over its rivals at the Mercantile by being first with its plan for a Municipal Bonds contract, which has received tremendous support from the industry. It is also far advanced in discussions about starting a futures contracts based on the FT/Stock Exchange 100 share index, and on the American Stock Exchange (Amex) index. The plan to introduce trading on the UK stock market is part of a somewhat belated attempt by the Board of Trade to attract more overseas interest into its markets.

Agricultural options

On the domestic front Mr Cunningham is enthusiastic about the prospects for the introduction of agricultural options later this year, either in September or October.

It is considered that option trading will bring many more participants into the futures markets, which have previously not been able to afford the large sums involved and margin calls. Experience with Treasury Bonds futures has shown that options increase, rather than decrease, trading in the underlying contract.

In spite of some blows to its pride, traders on the Board of Trade are convinced that they operate the best futures exchange in the world.

The success enjoyed has put into the background, at least temporarily, the political infighting between the agricultural and financial traders that has plagued the Board of Trade in the past. However, with the outlook for the agricultural markets looking somewhat depressed, the Board of Trade is likely to resume its battle to enlarge its stake in financial futures building on the huge success of its Treasury bonds and options contracts.

Down the road, the Mid-America Commodity Exchange, which specialises in mini-size contracts, is taking a momentous step forward by moving into the Mercantile's old premises. It was encouraged to do so by being able to obtain them at low cost, since there are buyers requiring a trading floor.

Turover on MidAmerica rose in 1983, mainly as a result of a jump in its 1,000-bushels soyabeans futures contract.

It plans a series of new contracts this year to take advantage of the extra trading space available. These include contracts for copper and platinum (both half the size of the New York markets) and for soyabean meal and oil, as well as two agricultural options. MidAmerica is also providing a home for the New Orleans Commodity Exchange that was forced to suspend trading last year. At present only the rough rice futures is operational, at a very low level, but it is hoped to reintroduce the short staple cotton contract.

After the boom enjoyed in 1983, it is difficult to see how the rate of expansion in Chicago exchanges can be sustained this year. However, so far the signs are promising and the exchanges are spearheading the efforts to bring futures into a wider sector of the financial community and the general public.

FUTURES VOLUME HIGHLIGHTS

Rank	Contracts with volume over 100,000	1983 Contracts	%	1982 Contracts	%	Rank
1	T-Bonds, CBT	19,550,535	13.97	16,739,695	14.90	(1)
2	Soybeans, CBT	13,680,324	9.78	9,165,520	8.15	(3)
3	Corn, CBT	11,924,576	8.52	7,948,257	7.07	(4)
4	Gold, COMEX	10,382,805	7.42	12,289,448	10.93	(2)
5	S&P 500, CME	8,101,697	5.79	2,935,532	2.61	(10)
6	Silver (5,000 oz), COMEX	6,432,982	4.60	2,868,639	2.55	(11)
7	Live Cattle, CME	4,248,152	3.04	4,440,992	3.95	(6)
8	Wheat, CBT	3,886,914	2.78	4,031,584	3.59	(7)
9	Soybean Meal, CBT	3,872,453	2.77	2,784,423	2.48	(13)
10	Soybean Oil, CBT	3,858,558	2.76	3,049,313	2.71	(9)
11	T-Bills (90-day), CME	3,789,864	2.71	6,598,848	5.87	(5)
12	Swiss Franc, CME	3,766,130	2.69	2,653,332	2.36	(14)
13	NYSE Composite Index, NYFE	3,506,439	2.51	1,432,913	1.27	(23)
14	Japanese Yen, CME	3,442,262	2.46	1,762,246	1.57	(19)
15	Sugar 11, CS&C	3,201,968	2.29	2,037,028	1.81	(17)
16	Copper, COMEX	3,186,914	2.28	2,362,625	2.10	(15)
17	Live Hogs, CME	2,790,746	1.99	3,560,974	3.17	(8)
18	Silver, CBT	2,643,166	1.89	775,136	.69	(29)
19	Deutsche Mark, CME	2,423,508	1.73	1,792,901	1.60	(18)
20	Pork Bellies, Fzn, CME	2,403,277	1.72	2,811,674	2.50	(12)
21	No. 2 Heating Oil, NY, NYMEX	1,868,322	1.34	1,745,526	1.55	(20)
22	GNMA Mrtges, CDR, CBT	1,692,017	1.21	2,055,648	1.83	(16)
23	British Pound, CME	1,614,993	1.15	1,321,701	1.18	(24)
24	Cotton 2, NYCE	1,550,117	1.11	1,255,792	1.12	(25)
25	Soybeans, MIDAM	1,171,294	.84	527,414	.47	(35)
26	Cocoa, 10m tons, CS&C	1,162,540	.83	607,964	.54	(31)
27	Domestic CD (90-day), CME	1,079,580	.77	1,556,327	1.38	(21)
28	Platinum, NYMEX	1,053,282	.75	669,024	.60	(30)
29	Gold, CME	994,132	.71	1,533,466	1.36	(22)
30	Wheat, KCBOT	942,971	.67	964,815	.86	(27)
31	Eurodollar, CME	891,066	.64	323,619	.29	(41)
32	T-Notes (6½-10 yr), CBT	814,505	.58	881,325	.78	(28)
33	Lumbar, CME	731,083	.52	516,619	.46	(36)
34	Value Line Index, KCBOT	724,979	.52	528,743	.47	(34)
35	Corn, MIDAM	629,678	.45	274,324	.24	(42)
36	Canadian Dollar, CME	558,741	.40	1,078,467	.96	(26)
37	Feeder Cattle, CME	537,173	.38	603,769	.54	(32)
38	Coffee "C," CS&C	427,441	.31	556,435	.50	(33)
39	Leaded Reg. Gasoline, NY, NYMEX	406,843	.29	104,082	.09	(49)
40	S&P 100 Index, CME	390,902	.28	—	—	
41	Wheat, MGE	379,603	.27	346,226	.31	(40)
42	Oats, CBT	359,825	.26	424,595	.38	(37)
43	Gold, MIDAM	349,844	.25	383,499	.34	(39)
44	Wheat, MIDAM	334,413	.24	243,640	.22	(43)
45	Crude Oil, NYMEX	323,153	.23	—	—	
46	Gold (Kilo), CBT	302,745	.22	—	—	
47	T-Bonds, MIDAM	267,259	.19	419,277	.37	(38)
48	Palladium, NYMEX	241,224	.17	63,829	—	
49	Orange Juice, Fzn Con, NYCE	124,267	.09	207,070	.18	(44)
50	Live Hogs, MIDAM	108,069	.08	175,624	.16	(45)
	Contracts with volume Over 100,000 contracts*			578,516	.52	
	Contracts with volume Under 100,000 contracts	800,489	.55	412,474	.42	
TOTAL		139,924,940	100.00	112,400,879	100.00	

* Contracts over 100,000 traded in 1982 but not over 100,000 in 1983.

Source: Futures Industry Association

Two years after their introduction, stock indices are becoming the hottest new 'commodity' in a radically changing market

Why 'pork bellies in pin stripes' lead the action

Stock Indices

PAUL TAYLOR

THEY CALL them "pork bellies in pin stripes." Stock index futures and options are fastest-growing section of the rapidly expanding U.S. financial futures industry and are capturing a growing share of contract trading on the Chicago and New York exchanges.

Only two years after their introduction in Kansas City, these new financial instruments look like becoming the hottest new "commodity" in a radically changing market.

Last year stock index futures alone took 9.11 per cent of the total 139.9m futures contract volume on the U.S. exchanges, up from 4.37 per cent of the 112.4m contracts traded in 1982, according to the U.S. Futures Industry Association.

Proving ground

Contract volume has grown steadily since their introduction, but the real upsurge has come within the past three months. With the U.S. equity markets in retreat from the middle of January, the hedging value of the new instruments has been highlighted, drawing growing numbers of individuals and institutions into the stock index market and—as far as their proponents are concerned—justifying the "real economic value" of the new products.

On the New York futures exchange (NYFE) daily contract volume in the exchange's NYSE stock index futures contract jumped from 13,000 before the stock market downturn to around 17,000. Lewis Horowitz, president and chief executive of NYFE says the decline in the "physical" stock market was "the proving ground" for the new contract.

"Over the past two months people have recognised the contract's real economic potential—to preserve capital," he says. "While the indexes do not represent a perfect hedge they are better than no hedge at all."

In Chicago, which continues to dominate the new markets, the Chicago Mercantile Exchange (Merc) volume in the highly successful S and P 500 futures contract last year totalled 8.1m, up from 2.94m in 1982, ranking the contract as the exchange's biggest selling single futures contract and the fifth largest in the U.S. in volume after Treasury Bonds, soyabeans, corn and gold.

The early success of stock index futures has led to a whole new set of spin-offs, including stock index options, options on stock index futures and a growing number of contracts based on sub-indices or "narrow-based indices (NBIs)" with particular features and characteristics.

At the Chicago Board Options Exchange S and P stock index options contract volume totalled 10.6m contracts last year and broke new records on several days in February, reaching 320,000 contracts on one day and 1.2m contracts for the week—at an average price of $16,000 a contract.

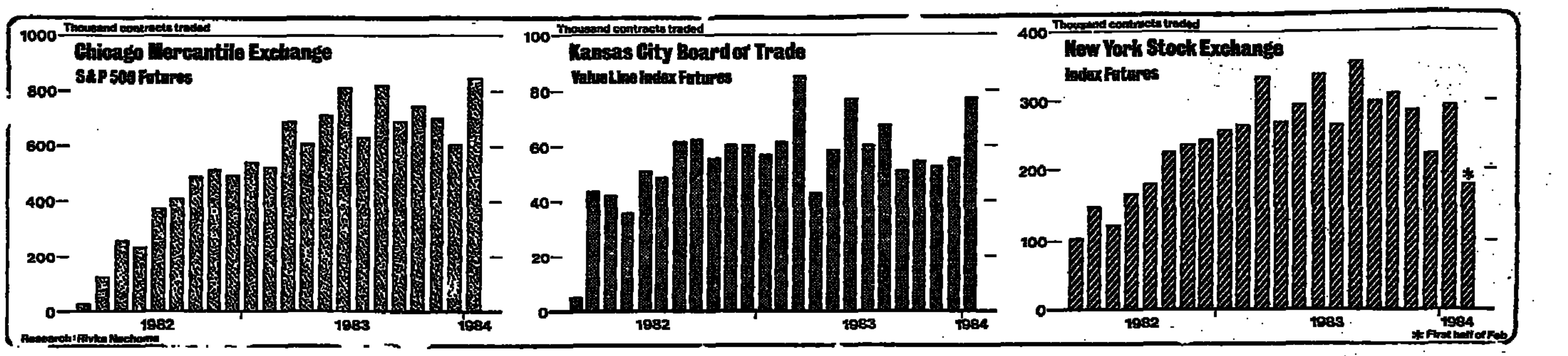
Before the stock market decline, contract volume was running at around 140,000 a day. In the first 14 days of February the volume of S and P 100 contracts traded on the CBOE totalled 1.79m compared to 2.54m for the whole of January and 1.9m for the whole of December.

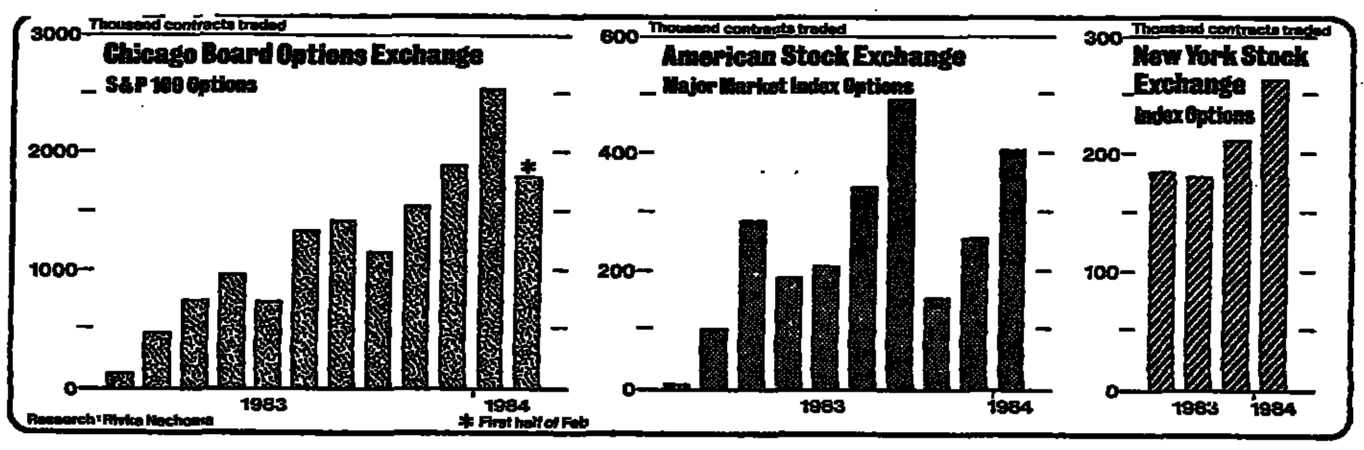
So dramatic is the growth of the new index options on the CBOE that Walter Auch, chairman and chief executive of the exchange and a former opponent of the new instruments, now describes the S and P 100 options contract, which began trading just a year ago, as "the most successful index product in history." He says: "Within two years I expect to see indices accounting for half of all options trading."

Further application

The CBOE, like other exchanges, is expanding its index products. In July last year the exchange began trading options on the S and P 500 index, followed in September by two narrowly based indexes geared to specific industry segments, the S and P integrated international oil and S and P computer and business equipment indexes.

The exchange has received applications for a further 20 sub-index products, including a telephone contract, gold and mines and a 20-stock transportation index.





In New York the Amex now offers two sub-index options contracts on computer and energy stocks in addition to its major market index contract while NYFE has applications for 14 sub-index products. Elsewhere, the Philadelphia Exhange has applied for approval to trade a sub-index option based on a basket of precious metals while the Pacific Exchange has applied to the Securities and Exchange Commission (SEC) for approval of a contract based on a group of over-the-counter high tech stocks.

But the rapid increase in stock index products has not been without its problems and its critics. Some contracts have failed, including the Chicago Board of Trade's option contract on the value line futures contract because of lack of interest, while a legal battle has thwarted the CBT's attempts to trade a contract based on the Dow index.

While the central objection to the new instruments—that they represent little more than a highly-geared form of gambling—has become more muted, they still have their critics.

The SEC, the Commodities Futures Trading Commission (CTFC) and the Federal Reserve Bank are still making a major study of the new products. Meanwhile, the SEC and the CFTC have acted to slow the growth—and tighten the provisions—covering new narrow market indices.

In January the two agencies laid down new guidelines and minimum qualifications for approving sub-index contracts, including requirements that the index must contain at least 25 stocks and the companies represented must have a market capitalisation of at least $75bn.

The agreement emerged from the latest sharp rift between the two agencies which followed the CFTC's approval of Merc energy and utilities sub-index contracts.

But the agreement has caused its own controversy. As part of it, the CFTC rejected five sub-index contracts planned by the Chicago Board of Trade. Last month this rejection prompted a suit from the CBT challenging the new rules, which the exchange described as being "arbitrary and capricious."

In fact the SEC and CFTC's action could herald a more general "rationalisation" within the infant stock index products market. A number of exchanges, including the CBOE in Chicago, are known to be less than enthusiastic about the proliferation of narrow-indices, although for competitive reasons they feel they must push ahead with applications.

While some of the sub-indices, particularly the American Exchange's computer technology stock index option, have proved highly successful, others have barely made an impact on the market; and with an estimated 50 applications waiting in the wings it is generally felt that a "cooling off" period is both desirable and necessary.

Even so, the major exchanges remain convinced that stock index contracts—and particularly the broad-based index products—are here to stay. The growing involvement of institutions in the markets is seen as the final "legitimisation" of their existence.

Risk transferred

Indeed, a number of technical changes approved by the regulatory authorities, including provisions which permit more widespread institutional use of the new contracts (for example, allowing institutions to use escrow receipts in cash accounts for short calls on broad-bases indices), are seen as a further "green light" for institutional use of the new products.

The CBOE says: "Previously many institutions with massive portfolios were unable to transfer the market risk of their portfolios through writing calls in index options. Now, with an official escrow receipt letter as evidence of their meeting requirements, these institutions can become seriously involved in the index option market as sellers of calls in cash accounts."

Indeed, there is evidence that institutional use of the new products is increasing steadily, reflecting a growing awareness of their benefits.

Big corporate pension funds like Exxon, IBM, Arco, GTE and Westinghouse are among the institutions now actively involved in the market together with Harvard Management Company, which oversees the university's huge endowment funds, and banks like Security Pacific, Wells Fargo and Boston's State Street Bank.

State Street Bank, in particular, has been an active market player through its two index-based funds, State Street Stock Performance Index Fund (SPIFF) and SPIFF-Plus, a fund which aims to outperform the market by taking advantage of pricing discrepancies between the value of the S and P index and the S and P futures.

Writing in the daily newspaper American Banker last October, the bank's senior investment and portfolio manager said: "While caution in the use of these new financial instruments is understandable, it should eventually give way to a growing perception that they are highly useful portfolio management tools. Investment strategies that once were impractical, inefficient, or simply unavailable may now be pursued with relative ease and at low cost."

New strategies

The growing involvement of institutions in the market is reflected in State Street Bank's own experience. According to Edward Bickford, a State Street Bank vice-president for investment management, the bank's two funds now have about $200m under management and 15 different institutions are using them.

In addition, a growing number of Wall Street investment banks, foreign investors and others are developing new strategies to take advantage of the particular characteristics of stock index products—including the potential to hedge, transfer risk, enhance portfolio performance, and limit currency risk.

As the new products become beter established and understood—a process accelerated by the current lacklustre performance of the stock market itself—most market experts believe the new products will become an indispensable part of portfolio management. As one senior exchange official says: "The day is coming soon when we will wonder how we ever lived without them."

Testing time for aluminium

Comex

JOHN EDWARDS

ALUMINIUM FUTURES trading on the New York Commodity Exchange (Comex) may not have got off to the spectacular start expected by many traders in London.

However, Comex officials themselves are far from unhappy with the situation. They point out that since the explosive beginning in November, the aluminium market has gone through a relatively dull period.

There has also been some reluctance to trade in the market before the completion of the first spot month (March) when the delivery system is tested. There has been some apprehension in London particularly that the quality grades of aluminium that can be delivered against the Comex contract have been set too high and that the market might not attract sufficient supplies.

It would, therefore, be vulnerable to supply squeezes, so traders have been avoiding building up open positions. However, Comex does not expect any such difficulties. There are provisions for lower-quality grades to be tendered at a fixed 1 cent per pound discount, and it is calculated that some 98 per cent of western world aluminium will be deliverable.

Delivery mechanism

So, once the delivery mechanism has been tested successfully and stocks start to pile up, it is confidently expected that trading activity will increase steadily. There could be an even quicker increase in turnover, of course, if the physical aluminium market comes to life again and prices take off again, as many traders predict.

Comex is not facing the outright hostility from producers that greeted the London Metal Exchange aluminium contract when it was introduced in 1978. Most of the leading North American aluminium producers have indicated a great interest in the contract, and several of them are actually using it; all pay close attention to the daily price movements.

U.S. consumers, who have seen the producer price system for copper destroyed in recent years, will have far greater experience in dealing in free market conditions than in the past, and know how to use the futures contract in New York.

So Comex, like the LME, is likely to play an increasingly important role in the world aluminium market in the years ahead. It offers considerable arbitrage opportunities with London, gives an additional time zone in which to trade, and is well geared up to handle speculative business.

In spite of a decline in trading activity in gold futures, Comex managed to achieve a record turnover last year of over 20m contracts. This was mainly due to a resurgence of interest in silver futures, where turnover jumped from 2.8m in 1982 to 6.4m—its highest ever level. Copper turnover rose as well from 2.3m to a new peak of nearly 3.3m contracts.

Precious metals

Gold futures turnover dropped from the record 12.3m contracts reached in 1982 to 10.4m last year, making it the fourth biggest individual market instead of the second as in 1982. However, in view of the lacklustre conditions in the gold market last year, after the initial burst in January and February, this was considered to be a more than respectable performance. Meanwhile gold options trading has built up, reaching 386,501 contracts last year, against 56,736 in the last few months of 1982, and moving further ahead this year.

Encouraged by the success of gold options, Comex is planning to use its second options allowance to bring in silver options later this year. It has managed to create some extra space to make room for the options contract, but on a longer term basis the Exchange is actively looking round for larger premises to allow for further expansion. In the short term, however, after silver options are introduced Comex will concentrate on building up its existing contracts.

Nymex (the New York Mercantile Exchange) had another banner year in 1983. Turnover rose from 2.6m to a record 3.9m contracts. The Exchange established an important base for further expansion by successfully introducing crude oil futures trading, while at the same time beating off a strong challenge from the Chicago Board of Trade.

Mr Michael Marks, chairman of Nymex, is confident the Exchange has clearly emerged as the only real centre for energy futures trading, and no longer fears competition from the Chicago exchanges, in spite of their much greater resources.

Other energy contracts, such as one for natural gas, are being studied but the main thrust for the moment will be boosting international use of the markets, with a particularly close eye on the fast developing oil trade interests in the Far East.

Nymex has been unenthusiastic about options trading, but has been putting some efforts into boosting its platinum and palladium futures contracts. Both had record turnovers last year, with platinum jumping from 669,024 to 1,053,282 contracts. Palladium trading increased from 68,829 to 241,224 contracts.

Efforts to rescue the potato futures market, which used to be the mainstay of Nymex in the 1970s, have not been too successful. The introduction of a cash settlement—the first for an agricultural commodity futures market—failed to stem declining interest in the potato contract. No one is too worried, however. Nymex sees itself as the energy futures exchange and is concentrating on maintaining that role.

Other member exchanges in the New York commodity futures complex in the World Trade Center had a less exciting year, but still did better than in 1982.

Fourth biggest

New York Coffee, Sugar and Cocoa retained its place as the fourth biggest exchange with turnover rising from 3.2m to 4.8m contracts. Surprisingly in view of the dull market conditions, turnover on its international sugar market increased from 2m to 3.2m contracts and trading in cocoa was up from a lowly 607,000 contracts to over 1.1m.

The Exchange has been investigating a broadening of its base for some years, with a possible move into financial indices.

Now it is also looking at the introduction of cocoa, butter and powder markets, which could provide traders with the kind of abitrage opportunities by the widely used crush spread for soyabeans in Chicago.

Under consideration too are the introduction of a cocoa option, and a Robusta coffee contract, similar to that in London.

The drought and the payment-in-kind programme boosted trading activity on the New York Cotton Exchange last year. A further fillip was provided by the frost in Florida over the Christmas holiday bringing a temporary surge of activity in orange juice futures. Turnover is also building up on the exchange's propane gas futures contract.

High hopes fulfilled

Commodity Options

NANCY DUNNE

IF THEY served no other economic purpose, commodity options could justify their existence simply by the work they have been providing for exchange publicists. For it seems a rare week indeed when an options contract fails to surpass a volume record of one sort or another.

Options on treasury bonds and gold have kept Press agents busiest.

On August 19, the Chicago Board of Trade's bond contract, the most heavily traded option based on the most heavily traded future on any exchange, inched past the one-million mark, just 10 months after its appearance in the pits. On November 10 it set a daily volume record with 19,890 contracts changing hands. On January 18, its open interest surpassed the 100,000th mark.

Gold options, traded on New York's Comex, managed to set records for daily volume, weekly volume and open interest in the same week of January, ending the month with almost 84,000 trade, up from 31,000 in January 1983.

Clearly, options are fulfilling the high hopes of the U.S. futures industry. More than 2.6m were traded in 1983, the first full year of a three-year trial, launched by the Commodity Futures Trading Commission (CFTC) during the previous year. Five out of the seven contracts are considered "winners" thus far and one, sugar options, is moving slowly but steadily along.

The one loser was Kansas City's options on the value line stock index, the weakest of the stock index contracts, which flopped even when traded on the CBT's larger, more prestigious floor.

It was a real race for a while when the Chicago Mercantile Exchange and the New York Futures Exchange introduced their two stock index options in January 1983 but sheer size won out by the end of the year when the Merc's stand and Poor 500 option had traded almost 50,000 contracts to 32,255 traded on NYFE's New York Stock Exchange composite index option.

Options have done so well, in fact, and given the CFTC so little trouble thus far that the original experimental programme has been expanded twice. In September the Commission agreed to let each exchange trade two options, instead of the one previously allowed.

In January it gave the go-ahead to final rules for a three-year programme for agricultural options, which have been banned in the U.S. since 1936. Under the new scheme, expected to get under way in the autumn, each exchange will be permitted to trade one agricultural option initially and a second one after the programme has become established.

Ranchers attracted

The industry is expecting "AG options" to attract a new class of market participants—farmers and ranchers—who are unwilling to take the risks inherent in futures but who would be apt to hedge for the cost of an initial fixed fee paid by the purchasers of an options contract.

Commercial grains firms have already expressed interest in the new options as have farm bankers, wanting maximum price protection for minimum risks for their loans.

Some analysts worry, however, that the time is a poor one for agricultural options. The outlook this year is once again for an abundant American harvest—large supplies, low prices and a moribound market. There is also the fear that options will draw strength away from the underlying future contract.

Despite the risks, the Chicago Board of Trade is expected to enter a soyabean option in the autumn. Not content with the success of its treasury bond options, it is also planning to introduce an interest rate option based on the soon-to-be revised Government National Mortgage Association (GNMA) future.

The success of options in the stock markets have also produced some interesting wheeling and dealing between securities and commodities exchanges. The Chicago Board Options Exchange and the Chicago Merc negotiated a pact which gave the CME a new future, ultimately called the Standard and Poor 100 index, traded "underneath" a successful CBOE index option.

The Board of Trade, which tried and failed to conclude a similar deal, then joined with the American Stock Exchange, agreeing to trade two futures contracts underlying two Amex stock index options. The first of the new contracts is expected to hit the CBT floor this spring.

Trend-spotters at a premium

Managed Funds

JOHN POWERS

THE YEAR 1983 was a tough one for fund managers in the futures markets. Those who abide by the slogan, "The trend is your friend," found out how hard it can be to trade when there is no trend.

Jay Klopfenstein, president of Norwood Securities in Chicago, reported that his Norwood Index of 59 publicly offered pools showed losses in December for 41 of the total. It was the fourth consecutive losing month for the index, the end of a losing year in which only five funds showed a net gain.

Managed Account Reports, a newsletter based in Columbia, Maryland, which keeps track of 72 public funds, calculated they lost an average of 12.8 per cent of their net asset value in 1983. Only 19 per cent which traded for the full year showed gains. Three funds were dissolved, with about £7.1m in assets remaining: SEK Futures, Chancellor Financial Futures Fund III, and Recovery Fund II. It was the worst performance by public funds since 1977.

According to Baratz, the 35 private pools tracked by MAR showed a 4 per cent gain in 1983. For the full year, a total of 19 pools, or 57 per cent, reported gains for the full year, and 12 reported losses for the full year. MAR tracks one pool per adviser, since some advisers manage a number of pools and use essentially the same trading strategy for each.

Baratz finds a major reason for the poorer performance of the public funds relative to the private ones. The private pools are trading more aggressively. They may commit from 30 per cent to 50 per cent of their equity to margin at one time, in order to trade a greater number of different contracts for the sake of diversity or to take a more aggressive stance in one or two commodities. Baratz thinks the normal range for margin among the public funds is 25 to 30 per cent.

Aggressive

This aggressive approach has its dangers when the market makes a sharp turn. The sharp upswing in January 1983 in futures prices lifted some public funds as high as 47 per cent in that month alone. A total of 51 had gains, with nine gaining 30 per cent or more, and another nine up more than 20 per cent.

Disaster struck in February, when the Organisation of Petroleum Exporting Countries (Opec) announced a $5 cut in the price of oil per barrel to $29. It pulled the rug out from under the bull market in commodities. The oil price collapse sent the price of gold into a free fall of more than $100 in about five trading sessions, and brought down silver with it. In the process it touched off massive margin call liquidation.

As a result, 51 public funds showed losses in February for an overall decline of 12.1 per cent, the worst since November 1978's 14.4 per cent decline when there were only nine funds.

Over much of 1983 the markets showed no consistent trend, however, and that made it hard for managers who cut their teeth on the uptrending inflation markets of the late 1970s.

Theodore Thomte, president of Boston-based Thomte, and a respected funds manager, commented "in our research, we've seen periods like that in the past, in what is a non-trending period. Underlying market conditions were not yielding to trend-following techniques."

The problem with trend-following techniques in a period when markets are not trending is that they can sometimes give off false signals. "Last year," he notes, "a number of trends got started and then got short-circuited." Because so many managers use computers to remove the emotionalism of the markets, they are also removing some of their own judgment from the trading process. Local traders in Chicago now claim to have got the upper hand on computer-based systems. They can work out points when the computer will give buy or sell signals to the funds and move the market accordingly.

Alan Kaufman, president of Futures Trading Group in New York, points out other factors that explain the difference between public and privately managed money.

One is the fact that managers of large funds tend to become more conservative in their trading strategy because they are sitting on a larger pile of money. A $20m fund can mean up to $1.2m in management fees so the manager does not trade as aggressively as the smaller pool operator who may be controlling $500.000 or less.

Morton Baratz, editor of MAR, reported that 12 funds traded for the full year showed gains. There were Aries Commodity Fund, Clark Street Futures Fund, Commodity Venture Fund, Commodore I Futures Fund, Galileo Futures Fund, Harvest Futures Fund I, Harvest Futures Fund II, McCormick Fund I, McCormick Fund II, Scepter Futures Fund, Tactical Commodity Fund, and Trendview Commodity Fund IV.

With an estimated $1.3bn under management in futures, funds represent a large block of capital in the futures market, even though the amount is only a fraction of the mutual fund money committed to stocks, options and other investments. The publicly traded commodity pools total about 55 and are registered with the Securities and Exchange Commission. The private pools are essentially unregistered limited partnerships and number in the hundreds. According to indications, they are doing pretty well, despite their gunslinger approach to trading the markets.

Inadequate

Kaufman also thinks that the CFTC reporting requirements are inadequate for measuring the real performance of fund managers. The CFTC calculation formula does not present an accurate picture at all times because it focuses on changes in assets relative to additions and withdrawals within each month.

Rather, he thinks it would be better to measure performance based on an internal rate of return formula. In this way, once money was put into the market, it would be calculated on a daily basis but expressed in terms of an annual rate. It would allow for withdrawals of assets by investors that would appear unfavourably against the fund manager.

Thomte offers three considerations for potential fund investors:

- Look at the fund manager's long-term performance over a period of years rather than just the most recent six to 12 months.
- Check the organisation's size. Is it really a business, or just one person? If it relies on just one person who could lose his touch, there could be problems.
- Does the manager's record show a volatile performance over a period? If he has a strong winning streak when you look him over, did he get there with some major losses left behind? You may come in at the wrong time.

Market share battle intensifies

Currency Options

JOHN POWERS

NOWHERE is the battle for a market share in new financial instruments raising more sparks than in the competition for currency options business between the Chicago Mercantile Exchange and the Philadelphia Stock Exchange.

On January 24, the CME introduced trading on options on Deutschemark futures contracts. With a year of trading experience in the Standard and Poor's 500 futures options, the Merc's floor traders eagerly crowded the Deutschemark option pit. Everyone expected another highly successful Merc production, and so far they have not been disappointed.

The new option specificies the right to buy or sell a call or put on an underlying Deutschemark futures contract worth DM 125,000. The Deutschmark is traded on the CME for delivery in March, June, September and December.

Volume and open interest records in the Deutschemark option have been broken daily. After three weeks of trading, the new contract reached an open interest over 9,000 contracts, or more than the peak achieved in Philadelphia in its first five months of trading.

As Chicago rises, Philadelphia is not fading into the sunset. The 1983 volume on its puts and calls on cash currency options totalled more than 194.000 contracts, while open interest reached a peak in December of 29,000 contracts.

By the second half of January, open interest was running at close to 70,000 contracts worth more than $1.7bn. Instead of diminishing Philadelphia's volume, the publicity surrounding the Merc's new option appears to be enhancing it.

New status

Philadelphia has no plans to trade futures contracts, but it disclosed that it is applying to the U.S. Commodity Futures Trading Commission for a futures exchange status. This would enable it to tap a large additional reservoir of brokers licensed by the CFTC to handle futures orders from the public. Philadelphia would remain a stock exchange.

The so-called Futures Commission Merchants (FCMs) number about 30,000, while the stockbrokers monitored by the Securities and Exchange Commission total about 100,000. But only a fraction of the stockbroking community knows enough about stock options to get the public into them in any significant way.

Futures brokers have been trading foreign currencies for 12 years, so Philadelphia's move to let futures brokers trade its cash currency options could give it a powerful marketing thrust.

Meanwhile, Philadelphia is forging ahead with its plans for listing new currency options and other products. It now trades options on five currencies, including the £ sterling, the Deutschemark, Swiss franc, Japanese yen and Canadian dollar.

It hopes to start trading a French franc option in a few months and has already received inquiries about trading memberships from such major French banks as Credit Lyonnais and Banque Nationale de Paris.

Philadelphia is considering additional currency options such as the Belgian franc, Dutch guilder and Italian lira. It also thinks it might open an hour earlier—at 7.30 am—to match up more closely with European hours, particularly since about half its current volume is coming from Canada, London and the Far East.

In taking a leaf from the Merc's success with Eurodollar futures, Philadelphia is filing for permission to trade a Eurodollar CD option for cash settlement. Still in the design stage, the contract may feature a size between $5m and $25m and call for a three or six month delivery.

Robert S. Damerjian, a floor member and a spokesman for the exchange, says "unbelieveable interest" has been expressed in the proposal. Given the Merc's success with its Eurodollar futures, it is not hard to understand why.

Banks active

The Chicago Eurodollar showed a 175 per cent volume increase in 1983 over 1982. Open interest in the Eurodollar future in Chicago climbed to more than 45,000 contracts by the end of 1983, the most for any contract traded at the Chicago Merc and the second highest for an interest rate future after the U.S. Treasury bond future traded at the Chicago Board of Trade.

Banks have been active in using the Eurodollar future for gap funding and hedging against their Eurodollar books and account for a disproportionately high percentage of volume.

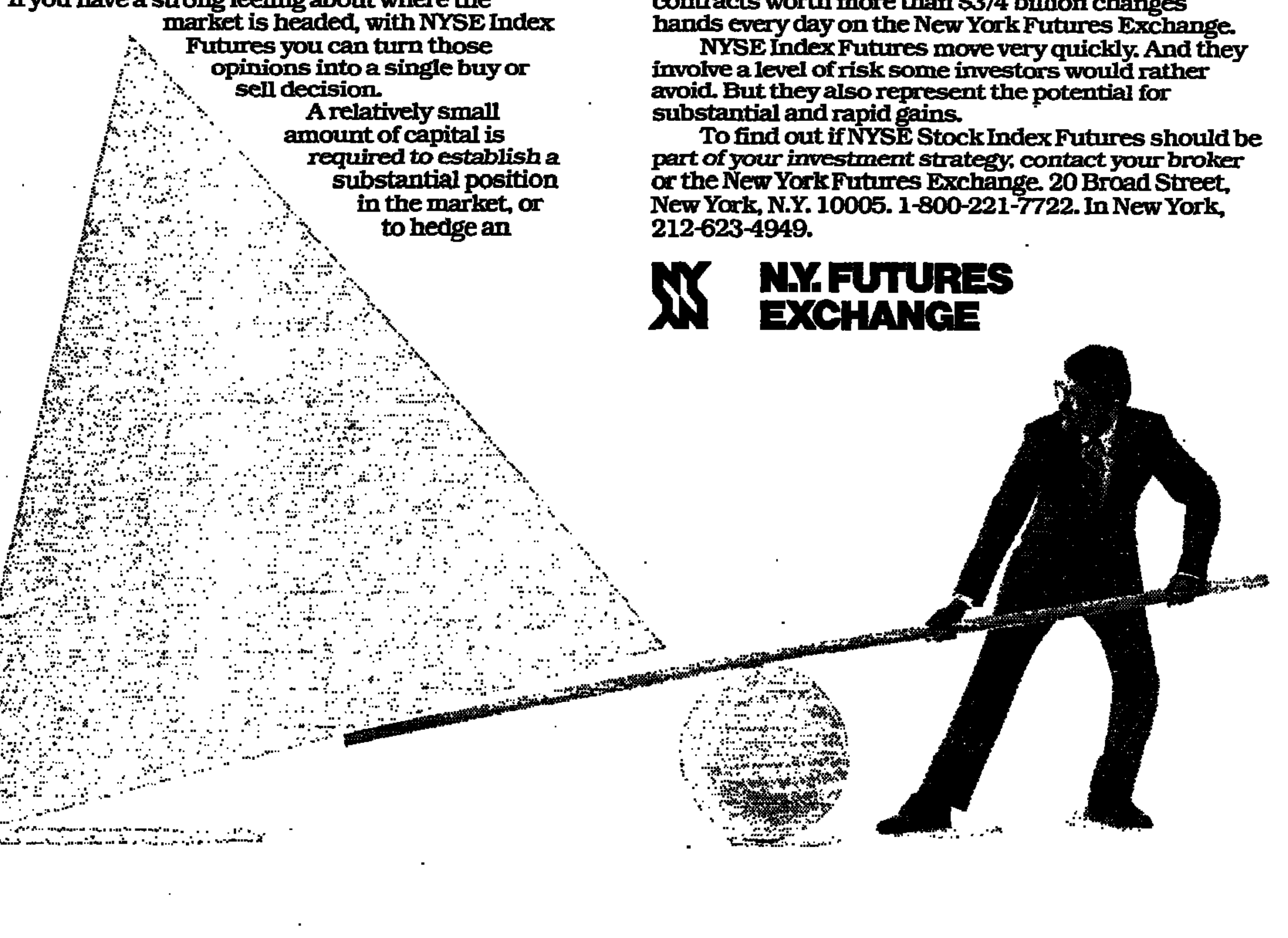
The Deutschemark futures option has shown that it can handle sizeable orders without pricing getting too volatile.

The Deutschemark option aroused widespread interest before its introduction, and the Merc had no trouble attracting several score dealers from among the more than 400 foreign banks in New York for an options seminar there a week before the launch.

Volumes for most futures contracts consists of about 50 per cent floor volume from local traders. The Deutschemark option already has many seasoned currency futures traders who are knowledgable about spreading back and forth between various delivery periods and arbitraging between the option and the futures contract.

Up to mid-February, call and put volume in the Deutschemark option reached a record 3,318 contracts and records were being broken daily.

Since the floor traders are used to handling big orders for their own account, and can lay off positions in the highly liquid futures market, they have had no problem in squaring off against large hedgers with orders of 500 or more at a time in the Deutschemark option.



Bulk of business still lies with CBOT and CME

Chicago leads the field

Interest Rate Trading

TERRY BYLAND

THE RENEWED concern over interest rates in the U.S., reflected in the past six weeks by volatility in the cash markets for Federal securities, has also injected fresh enthusiasm for interest rate futures, now traded in New York and Chicago, as well as in several other smaller U.S. cities.

Two years ago, a comment from a trader in U.S. Government issues that the futures markets for Treasury bonds and bills were "more liquid" than the corresponding cash markets, was greeted with scepticism, if not derision. Few informed market observers would argue with such a statement in 1984.

Also continuing to thrive are the markets in contracts on the mortgage-backed securities of the Government National Mortgage Association (Ginnie Maes) which effectively started up the markets in interest rate futures with their first appearance in 1975.

The two more recent entrants to the lists of traded interest futures, Eurodollar futures and 90 day Certificates of Deposit (CDs) of the U.S. commercial banks, have also established themselves in the marketplace.

The bulk of the business in interest rate futures continued to move towards the two Chicago exchanges, the Chicago Board of Trade (CBOT) and the Chicago Mercantile Exchange (CME), where the long standing expertise in trading commodity futures has proved a major force behind the expansion of these new sectors of the market.

In 1983, the CBOT traded 19.6m contracts in Treasury bonds, an increase of 17 per cent over the previous year. On the CME, however, trading in 90-day Treasury bills showed a decrease of 42 per cent to 3.8m contracts. Meanwhile, trading both in Treasury bills and bonds on the New York Futures Exchange was virtually lifeless, with only 18 bond contracts traded and none in bills.

The volatility in bond yields since December, as wall Street reshuffled its view of the U.S. economy, the weight of the Federal deficit and the attitudes of the Federal Reserve Board, have made the bond futures market a focus of attention.

The price of the Treasury bond contract for one month delivery — the most actively traded of the contracts quoted, is now a significant lead to the fortunes of the cash market, and has acquired its own colony of experts, its own chart levels, which are closely watched by the professional traders, and a much wider investor base than was formerly the case.

Many factors lie behind the continued success of trading in bond futures. Devotees of the market have always pointed out that futures trading feeds on uncertainties in the underlying market for the commodity involved.

As well as being a practical argument—until Bretton Woods agreements broke down, there was little need in the U.S. for foreign exchange futures—this is a neat turning of tables on those who blame futures markets for causing instability.

Role of Fed

The role of the Federal Reserve and of its interest rate policies during the recovery in the U.S. economy, together with the resulting preoccupation of Wall Street with weekly money supply totals, bank lending and Federal spending, have helped to create the climate in which interest future trading flourishes.

Moreover, the very success of bond futures trading has forged it into a significant investment tool.

Trading volume in the interest terest rate futures market is now greater than in the underlying cash markets—average recent daily volume of $30bn for bill and $5bn for bond futures compares with corresponding totals of $5bn and $10bn in the cash markets.

This high degree of liquidity in the futures market provides dealers in the cash markets with a valued source of information for "pricing" large-sized deals in the underlying securities.

In the less liquid cash markets, the pricing of a deal can itself affect market performance, at least in the near term. But dealers confirm that the liquidity of the futures market enables it to continue providing a reliable guide to market trends while the deal is being arranged in the cash market.

The dealers regard this function as quite apart from any actual hedging of the deal through the futures market, which is another value function of the futures market.

The other major benefit of the interest rate futures market to the dealer in U.S. treasury securities is that it enables them to hedge against capital losses on the large bond inventories they are obliged to carry.

The past three weeks has seen bond prices fall by about two and a half points, bringing significant losses to the portfolios of the major traders who make up the cash markets. The ability to hedge these potential losses through the interest rate futures market has become of increasing importance to the professional traders, who claim that it enables them to take a more aggressive stance towards the regular auctions of Treasury securities, thereby aiding the liquidity of their own market as well as easing the Treasury's funding programmes.

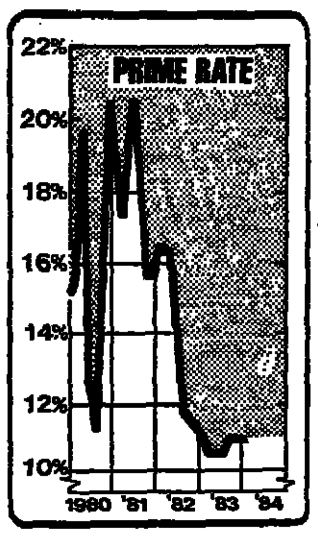
The spread between short term and long term interest rates is sufficient at present to protect bond traders from one other difficulty which they have been glad in the past to solve through the futures markets. When short term rates move above long term, dealers suffer losses because the yield on their long bonds does not cover the financing cost.

In addition to the professional hedgers, among who must be included the arbitrageurs, whose chief function is to meet any disproportion of short against long hedgers, there is a growing body of speculators categorised as "off-floor" operators.

The off-floor participant is the retail speculator whose numbers are rapidly growing but difficult to establish. Public awareness of interest rate trends, and of opportunities to hedge, or merely to speculate in them, has increased substantially with the spread of money market funds among customers of the major banks.

In aggregate, the off-floor speculators almost certainly take loss which is eventually the profit of the arbitrageurs and of those who make the market.

The absence to date of any serious scandal of financial loss in the financial futures market has helped to ease the regulatory climate for them. After a period when the Federal Reserve, the Treasury and the Securities and Exchange Commission all began to show increasing interest, if not concern, over the burgeoning financial futures markets, tensions now seem to have eased.



The Fed, busy with the deregulation of the financial services industry, made no adverse move against the new bank CD and Eurodollar futures contracts.

Foundered

The Treasury, in the person of Mr Mark Stalnecker, deputy assistant secretary, said it would not "impede the growth" of the new markets and that "existing regulatory structures" seemed able to deal with any problems.

Attempts to introduce futures contracts in Treasury notes and in commercial paper have foundered on the relatively restricted secondary markets available, which in turn restricts the number of dealer portfolios needing hedging.

The slightly reduced role of the Ginnie Mae contracts must be measured against their initial success. Ginnie Mae futures played a major role in the creation of a secondary market in mortgages which now equals in size the primary market. But with deregulation int he financial services industry bringing the banks and the mutual funds into the mortgage market, there can be little likelihood of Ginnie Mae futures staying out of the public eye for long.

The astonishing success of the U.S. interest rate futures markets has encouraged the participants to look for the next opportunity. And that they hope, will be to extend their operations into an international context.

Commission commands new respect

Regulation

NANCY DUNNE

AT NINE years of age, the Commodity Futures Trading Commission (CFTC) is no longer the mean, green regulatory agency of its youth.

Once the object of widespread derision within the futures industry, which saw it as an obstacle to growth, the commission emerged last year from its second congressional reauthorisation with new respect for its competency.

Philip Johnson, the talented, resourceful former commodities attorney from Chicago, guided the CFTC smoothly through what had been expected to be devastating reauthorisation hearings. Then, after putting the commission on its feet, he departed last May.

His successor, Miss Susan Phillips, is the first commissioner to have been promoted out of the ranks to the chairmanship. Experienced and able, she has continued Mr Johnson's "free trade" policies, supervising growth within the limits of careful rule enforcement.

Independent

The CFTC is an independent agency with five commissioners (no more than three from any one political party) appointed by the President and confirmed by the Senate. It oversees the work of the rapidly expanding futures exchanges with the assistance of both exchange regulators and the new National Futures Association (NFA), the industry's self-regulatory agency.

As the CFTC matured, the NFA moved steadily through its first full year of operations in 1983, gradually relieving the overstrained commission of some of its functions. While the CFTC oversees the NFA, the commodity exchanges, floor brokers and floor traders, the industry group supervises futures commission merchants, trading advisers, pool operators and introducing brokers.

It screens and registers commodity salesmen, enforces ethical standards and customer protection rules, audits and monitors commodity professionals, and establishes trading standards and proficiency tests.

The two agencies are working together with the kind of co-operation required by Congress.

"Congress anticipated this environment and authorised the creation of a Federally-sanctioned industry self-regulatory association," the conference committee on the reauthorisation noted in its report. "Public interest, as much as the more direct interest of the industry itself, demands a strong, central self-regulatory aparatus if self-regulation, the basic requirement of the Commodity Exchange Act, is to work."

With trading in futures increasing rapidly, so inevitably has the number of customer's complaints about the handling of their accounts. Dissatisfied investors may now bring their grievances to either the CFTC, which has set up a new reparations system, or to the NFA for arbitration.

The commission handles about 1,000 reparations complaints each year, with the new system permitting the expeditious handling of the least complicated disputes.

The arbitration system, instituted last March, processed 49 complaints in the first 11 months of business.

Both bodies have been concerned about off-exchange commodity swindles which damage the credibility of the futures industry. Before new provisions were added to the CFTC authorising legislation last year the CFTC had jurisdiction over commodity swindles, but its resources were too limited for the job.

Now, says Miss Phillips, the states are "the cops on the beat." Working with state regulators, the CFTC and NFA agreed in January to set up a working group to draft model, uniform state legislation to give states the means to deal with offenders.

Miss Phillips's tenure as chairman, while generally applauded, has not been without controversy. Commission approval of an energy "subindex" contract for the Chicago Mercantile Exchange brought threats of a suit by the Securities and Exchange Commission (SEC), the securities industry regulator.

It contended that the subindex, compiled by Standard and Poor, is so narrowly based (it is composed of 35 stocks) that it could easily be manipulated.

The SEC's objections led to an agreement between Miss Phillips and the SEC chairman, John Shad. This was called "Son of Accord," referring to a previous jurisdictional settlement negotiated by Mr Johnson and Mr Shad. The latest agreement allows the CFTC to permit trading in "subindex futures"—contracts based on the fluctuations of stocks within a particular industry—provided that the index is composed of at least 25 domestic stocks.

The new criteria permit the CFTC to approve the Chicago Merc's energy index application as well as another contract it wishes to base on utility stocks. But it makes ineligible five contracts planned by the Chicago Board of Trade (CBOT).

The CBOT has filed a suit against the CFTC claiming that the commission unlawfully delegated its exclusive jurisdiction over futures to the SEC.

The CFTC has won more acceptance for other controversial moves. A $10,000 fee composed last autumn on each contract submitted for approval has forced the exchanges to weigh each application carefully before burdening the CFTC staff with more work.

The commission's approval of a carefully regulated test programme for agriculture futures options has the industry preparing for a new channel of expansion.

Meanwhile, concern within the industry that the CFTC may be merged with the SEC seems to be abating. A Vice-Presidential task force studying financial regulation is expected to recommend that the two remain independent.

Growing overlap

Commisisoners at both agencies have agreed that there is some merit in the argument that the growing overlap between securities and commodities and their options may best be supervised by one super regulator. But they recognise that the economic purposes of the two markets differ basically.

So does the regulation. The SEC tends to concentrate on disclosure, capital formation and accurate performance, while the CFTC has focused its concerns on contract performance.

Miss Phillips opposes a merger but says steps ought to be taken to ease the regulatory burden on firms which report to both agencies. The SEC, she says, would have a problem "if our responsibilties were shifted to them wholesale."

So far the two agencies have resolved jurisdictional questions peacefully. If they continue to work at it, the CFTC's independent existence seems assured for the foreseeable future.

Financial sectors lead the volume thrust

Turnover

JOHN EDWARDS

ACCORDING TO figures published by the Futures Industry Association, turnover on the exchanges has jumped from 3.8m contracts traded in 1958 to last year's record total of 139.9m lots.

Growth has been particularly dramatic since 1977 when the financial instrument contracts started to take off. But last year saw the biggest single annual rise in volume traded, with an increase of 27.5m contracts over the 1982 total of 112.4m.

Partly responsible for the 1983 upsurge in volume was a recovery in trading activity on the soyabeans and corn (maize) markets on the Chicago Board of Trade, following the price fluctuations caused by the drought and the payment-in-kind programme. Turnover on soyabeans rose by 4.5m to 13.6m contracts and corn by 4m to 11.9m.

However, the main thrust once again came from financial markets. Treasury Bonds futures on the Board of Trade established itself as the number one market by chalking up an increase of nearly 3m contracts to 19.5m. The Standard & Poors 500 index on the Chicago Mercantile Exchange jumped by over 5m to 8.1m contracts to become the fifth biggest — a remarkable performance considering it only started trading in mid 1982.

The foreign currency futures markets on the Mercantile also recorded big increases, especially the Yen and Swiss Franc, which both topped the 3m-contracts-a-year mark.

A fall in gold turnover on Comex — down from 12.2m to 10.3m—was more than offset by a rise in silver trading, which in New York rose from 2.8m to 6.4m and on the Chicago Board of Trade by nearly 2m to 2.6m. Comex also benefited from a rise in copper turnover to over 3m contracts and from the start of its aluminium futures contract. The Exchange had a record year with total turnover topping 20m contracts.

Trading activity in plantinum futures on the New York Mercantile Exchange surprisingly showed a big rise from 669,000 to just over 1m contracts, and the Nymex crude oil contract got off to an excellent start with a turnover of 323,153 contracts in only nine months of trading.

Nymex claims to be the fastest growing exchange, in percentage terms, with turnover rising from 2.6m to an all-time peak of 3.9m contracts. It successfully beat off a challenge, from the giant Chicago Board of Trade to break into energy futures trading; the Board of Trade has already withdrawn its gasoline and heating oil contracts but may attempt to salvage the crude oil market.

Meanwhile, plans are apparently still going ahead for the computerised World Energy Exchange to be set up in Texas, although no official application has yet been lodged with the CFTC.

The revival in the grain markets, and the success of Treasury Bonds, helped increase the Chicago Board of Trade's lead as the number one exchange. Its turnover climbed from 48.2m to a record 62.8m, raising its share of total industry volume from 42.89 to 44.89 per cent.

FUTURES VOLUME HIGHLIGHTS

Rank	Exchange	1983 Contracts	1983 %	1982 Contracts	1982 %	Rank
1	Chicago Board of Trade	62,811,523	44.89	48,206,790	42.89	(1)
2	Chicago Mercantile Exchange	37,830,044	27.04	33,574,286	29.87	(2)
3	Commodity Exchange, Inc.	20,014,597	14.30	17,520,712	15.59	(3)
4	Coffee, Sugar & Cocoa Exchange	4,876,069	3.48	3,252,512	2.89	(4)
5	New York Mercantile Exchange	3,926,589	2.81	2,649,941	2.36	(5)
6	New York Futures Exchange	3,510,285	2.51	1,451,442	1.29	(9)
7	MidAmerica Commodity Exchange	3,166,537	2.26	2,397,721	2.13	(6)
8	New York Cotton Exchange	1,703,105	1.22	1,479,781	1.32	(8)
9	Kansas City Board of Trade	1,693,042	1.21	1,493,558	1.33	(7)
10	Minneapolis Grain Exchange	379,607	.27	346,264	.31	(10)
11	New Orleans Commodity Exchange	13,542	.01	27,872	.02	(11)
		139,924,940	100.00	112,400,879	100.00	

Source: Futures Industry Association

The Chicago Mercantile Exchange, the second biggest, also had a record year lifting turnover to 37.8m from 33.5m, but its share of the total slipped from 29.87 to 27.04 per cent. Comex retained third place with 14.30 (15.59) per cent of the total. Fourth place was retained by New York Cocoa, Sugar and Coffee Exchange with increases in sugar and cocoa boosting volume to 4.8m (3.2m) and Nymex remained in fifth place.

The New York Futures Exchange, however, moved up into sixth place overtaking the MidAmerica Commodity, Cotton and Kansas City Board of Trade exchanges.

The New Orleans Commodity Exchange suspended trading in July for several months, but has now resumed the rough rice futures contract only, under the umbrella of the Mid America Commodity Exchange in Chicago.

Futures options traded rose to 2.64m, of which the Treasury Bonds accounted for 1.6m. There is expected to be a much bigger volume this year.

The U.S. exchanges are also looking overseas for expansion. The Chicago Mercantile Exchange, once again blazed the trail, and has reached agreement in principle for a formal link up with the Gold Exchange of Singapore, which is to be relaunched as the Singapore International Monetary Exchange (Simex).

Although there are many problems yet to be sorted out on the practical implementation of the "link up," it is an important step towards the internationalisation of futures trading round the clock in the different time zones. The important point is that it is planned to have a "mutual offset" system, which will allow traders to offset their positions in both exchanges. This could present considerable legal difficulties in the case of disputes, but the exchanges are confident these can be overcome.

Comex announced last month that it was entering into discussions on a possible gold futures link-up with the Sydney Futures Exchange. It is known, too, that the Hong Kong Commodity Exchange has held talks in the past with some of the U.S. exchanges.

However, the links between the European and the U.S. exchanges are even closer in that a great deal of business now comes from Europe into the New York and Chicago markets. There is also a growing trend towards mergers or joint operations between trading companies on both sides of the Atlantic.

Smaller companies cannot afford offices all round the world like the multi-national houses, so a business or financial link between companies operating on the main futures exchanges makes good sense. Futures trading is becoming more and more international with improved communications enabling dealings to be carried out in overseas markets by lifting the phone or pressing a button.